K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Nineteenth Annual Report

2013- 2014

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BOARD OF DIRECTORS (AS ON 26-05-2014)

WHOLETIME DIRECTORS:	**DIN**	
Shri.Vinod R. Sethi	00106598	Executive Chairman
Smt.Irmgard Velagapudi M. Rao	00091370	Managing Director
Smt.V.Kiran Rao	00091466	Executive Director
NON-WHOLETIME DIRECTORS:		
Shri.K.A.Rangaswamy	00020891	Non-Independent Director
Shri.Ranvir R.Shah	00041398	Independent Director
Dr.Vithal Rajan	00021571	Independent Director
Shri.M.S.V.M.Rao	00432640	Independent Director
Shri.Prathap K. Moturi	00020630	Independent Director

Board Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	C S R Committee
Shri.M.S.V.M.Rao Chairman	Dr. Vithal Rajan Chairman	Shri. K.A. Rangaswamy Chairman	Smt.Irmgard Velagapudi M.Rao Chairperson
Members Shri. Vinod R. Sethi Dr.Vithal Rajan Shri.K.A.Rangaswamy Shri.Prathap K.Moturi	**Members** Shri. Vinod R. Sethi Shri. Ranvir R.Shah Shri.K.A.Rangaswamy	**Members** Smt.Irmgard Velagapudi M.Rao, Smt.V.Kiran Rao, Member	**Members** Shri. Vinod R. Sethi, Shri.K.A.Rangaswamy, Shri. M.S.V.M. Rao

Chief Financial Officer — Shri.R. Ganesan

General Manager (Finance) and Company Secretary — Shri.S.Chidambaram, B.Sc.,ACMA, ACS,

Auditors — Messrs. B.Purushottam & Co.
Chartered Accountants,
Flat No.3-D, "Pioneer Homes"
23/A, North Boag Road, T.Nagar
Chennai 600017.

Cost Auditor — Shri.V.Srinivasan, No.28, 'BETA' Block, Jaihind Apts
175-A, Velachery Main Rd, Gowrivakkam, Chennai 600073.

Legal Advisor — Shri.T.Raghavan

Bankers — State Bank of India
ICICI Bank Ltd
Axis Bank Ltd

Registered & Corporate Office — "Ramakrishna Buildings"
239, Anna Salai, Chennai - 600 006.
Telephone: 044-28555171-76 / E-mail: kcpsugar@vsnl.com
Website: www.kcpsugar.com

Plant Locations:

1) **Vuyyuru, Krishna Dist, Andhra Pradesh 521 165**
   Sugar, Industrial Chemicals, Incidental Co-generation Power, Biotech, CO_2, Calcium Lactate Divisions.

2) **Lakshmipuram, Krishna Dist, Andhra Pradesh 521 131**
   Sugar, Incidental Co-generation Power.

Registrars to Deposits — Being handled In-House at the Registered Office of the Company.

Registrars & Share Transfer Agent & Depository Registrars — M/s Integrated Enterprises (India) Limited,
2nd Floor, "Kences Towers", No.1,Ramakrishna Street,
North Usman Road, T.Nagar, Chennai - 600 017.
Ph: 28140801 to 28140803 Fax: 28142479
Website: www.iepindia.com

FINANCIAL HIGHLIGHTS

Rs. in Lakhs – except Ratios

Particulars	Year Ended									
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Share Capital	**1,133.85**	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85
Reserves and Surplus	**22,427.96**	20,789.08	18,239.51	16,519.46	15,925.95	14,546.49	14,342.19	14,475.97	12,784.19	9,012.45
Net Worth	**23,561.81**	21,922.93	19,373.36	17,653.31	17,059.80	15,680.34	15,476.04	15,609.82	13,918.04	10,146.30
Fixed Assets (Net)	**11,318.80**	11,713.94	12,243.89	13,102.44	13,698.22	13,959.19	14,758.28	15,541.25	13,970.66	10,448.77
Gross Income	**35716.56**	43,460.93	34,760.85	22,109.35	26,306.43	19,954.65	25,428.43	33,611.64	36,184.68	29,977.81
Gross Profit	**4,892.66**	7,215.30	4,892.15	2,924.04	4,813.10	3,270.26	2,280.74	5,000.54	10,555.24	8,033.82
Depreciation	**1,109.40**	1,087.40	1,082.87	1,095.44	1,062.54	1,085.35	1,059.37	1,001.49	743.45	619.97
Finance Cost	**455.47**	567.58	*634.16	*500.57	319.62	360.18	459.93	351.56	420.53	915.01
Profit / (Loss) before Tax	**3,327.79**	5,560.32	3,175.12	1,328.03	3,430.94	1,824.73	761.44	3,647.49	9,391.26	6,498.84
Profit / (Loss) after Tax	**2,766.45**	3,876.13	2,642.50	1,183.23	2,374.37	1,132.88	710.97	2,355.05	5,711.05	4,065.21
Earnings per Share (Rs.)	**2.44**	3.42	2.33	**1.04	**2.09	**0.999	**0.63	**2.08	**5.04	35.85
Cash Earnings per Share (Rs.)	****3.42**	**4.38	**3.29	**2.01	**3.03	**1.96	**1.56	**2.96	**5.69	41.32
Book Value per Share (Rs.)	****20.78**	**19.33	**17.09	**15.57	**15.05	**13.83	**13.65	**13.77	**12.28	89.49
Dividends on Equity %	**85.00**	100.00	70.00	45.00	75.00	70.00	50.00	50.00	150.00	100.00
Long term Debt Equity Ratio (excluding working capital borrowings)	**0.21**	0.09	0.26	0.26	0.25	0.25	0.22	0.12	0.16	0.30

* Finance cost in FY 2012-13, 2011-12 & 2010-11 consists Interest and other borrowing costs as per Revised Sch. VI. Rest of the Financial Years, it represents only Interest.

** Face value of each equity share of Rs.10/- has been sub-divided into 10 equity shares of Face Value of Re.1/- each w.e.f. 17.03.2006.

SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	**2013-14**	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
SUGAR UNIT, VUYYURU										
Cane Crushed in MTS	**8,03,318**	7,69,209	8,71,574	7,86,393	4,89,522	5,38,686	8,46,674	12,21,209	10,72,145	9,97,945
Sugar bagged in QTLS	**8,21,468**	7,78,220	8,59,940	8,05,960	4,64,110	5,64,150	9,19,000	13,19,880	11,97,470	11,44,442
Recovery (%)	**10.24**	10.10	9.88	10.25	9.50	10.45	10.85	10.83	11.15	11.46
SUGAR UNIT, LAKSHMI-PURAM										
Cane Crushed in MTS	**2,85,464**	2,27,531	2,81,847	2,75,222	1,50,759	1,35,957	2,74,193	4,53,307	4,35,534	3,72,153
Sugar bagged in QTLS	**2,74,470**	2,06,768	2,41,447	2,50,160	1,29,206	1,22,686	2,68,948	4,67,905	4,61,679	4,13,580
Recovery (%)	**9.62**	9.11	8.87	9.09	8.58	9.05	9.80	10.32	10.63	11.10

CIN: L15421TN1995PLC033198
"Ramakrishna Buildings"
No.239, Anna Salai
Chennai 600 006.
T: 91 44 28555171 – 176
F: 91 44 28546617

Invesorservices@kcpsugar.com
www.kcpsugar.com

May 26, 2014

Dear Member,

You are cordially invited to attend the 19th Annual General Meeting of the members of K.C.P.Sugar and Industries Corporation Limited ("the Company") to be held on Thursday, September 11, 2014 at 11.00 AM at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018.

The Notice of the meeting, containing the business to be transacted, is attached. As per section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in pursuance of clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are attached.

Very truly yours,

VINOD R. SETHI
EXECUTIVE CHAIRMAN

Enclosures:

1. Notice to the 19th Annual General Meeting
2. Instruction for e-voting
3. Proxy form
4. Attendance slip.

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, on Thursday, September 11, 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial statements of the Company for the year ended March 31, 2014 including the Audited Balance Sheet as at March 31, 2014, the statement of Profit and Loss Account for the year ended on that date, and the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend on Equity Shares.

3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the fourth consecutive Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors, and to pass the following resolution:

"RESOLVED that, pursuant to Section 139 and other provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M.s. B.Purushottam & Co., Chartered Accountants, Chennai, (FRN 002808S), the retiring auditors of the Company, be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of three years, from the conclusion of this AGM to the conclusion of Twenty second AGM, (subject to the ratification by the members at every AGM to be held after this AGM) and the Board of Directors be and is hereby authorized to fix their remuneration as may be determined by the Audit Committee each year."

SPECIAL BUSINESS:

4. Appointment of Shri. Ranvir R.Shah (DIN 00041398) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri. Ranvir R.Shah (DIN 00041398), who retires by rotation at this AGM, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

5. **Appointment of Dr.Vithal Rajan (DIN 00021571) as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Dr.Vithal Rajan (DIN 00021571), who retires by rotation at this AGM, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

6. **Appointment of Shri.M.S.V.M.Rao (DIN 00432640) as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri.M.S.V.M. Rao (DIN 00432640), a Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

7. **Appointment of Shri.Prathap K.Moturi (DIN 00020630) as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri.Prathap K. Moturi (DIN 00020630), a Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

8. **Remuneration of Cost Auditor:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that the Company do hereby confirm and ratify in terms of section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications) or re-enactment thereof, the remuneration of Rs.2,00,000/- (Rupees Two lakhs only) plus service tax as applicable and reimbursement of out of pocket expenses to be paid to Mr.V.Srinivasan, Cost Accountant (Membership No.1248) for conducting the audit of cost records of the Company for the financial year ending 31st March 2015, as approved by the Board of Directors on the recommendations of the Audit Committee.

9. **Acceptance / Renewal of Deposits from public / members**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions as may be necessary, consent of members of the Company be and is hereby accorded to invite / accept / renew from time to time unsecured deposits from public and / or members of the Company in accordance with the terms and conditions of Acceptance of Deposits by Companies, as prescribed under Rule 3 of the Companies (Acceptance of Deposits) Rules, 2014.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and / or any Committee thereof is hereby authorized to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for such invitation / acceptance / renewal of deposits by the Company."

// **BY ORDER OF THE BOARD** //

Place : Chennai
Date : 26.05.2014

VINOD R. SETHI
EXECUTIVE CHAIRMAN

NOTES:

a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The **proxy form**, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. As per section 105 of the Companies Act, 2013, a person appointed as proxy can act on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company.

b. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the company.

c. Members / Proxies should bring the duly filled Attendance Slip attached with this notice to attend the meeting.

d. The Register of Directors and key-management personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

e. The Register of Contracts or arrangements in which the directors are interested, maintained under section

189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

f. **The Register of Members, Register of Beneficial Owners and Share Transfer Books** of the Company will remain closed from 4th day of September 2014 to 11th day of September 2014, both days inclusive, for the purpose of payment of dividend for the financial year ended March 31, 2014 and the AGM.

g. **Dividend on equity shares**, recommended by the Board, if approved by the shareholders at the AGM, will be paid on or after 11.09.2014 but within the stipulated time of 30 days from the date of declaration:

   i. to those Members whose names appear on the Register of Members of the Company as on 11th September 2014; or to their mandates and

   ii. in respect of **shares held in electronic form**, the dividend will be paid to the beneficial owners of shares as on that date as per the details furnished by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.

h. **M/s. Integrated Enterprises (India) Ltd,** Kences Towers, II Floor, No.1 Ramakrishna Street, T.Nagar, Chennai 600 017 are the Registrar and Transfer Agents and Depository Participants of the Company for physical / electronic shares and all correspondences with regard to transfer of shares etc may be addressed to them directly.

i. Securities and Exchange Board of India has made **trading** in the shares of the company **compulsory in dematerialized form** for all investors. Members are requested to open a Beneficiary owner account with a Depository Participant, if not done so far.

j. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Integrated Enterprises (India) Ltd, Chennai, under the signature of the sole / first joint holder, the following information to be incorporated on dividend warrants:

   i. Name of the Sole / First joint holder and the Folio Number.

   ii. Particulars of Bank Account, viz, Name of the Bank, Name of the Branch, Complete address of the Bank with PIN code, Account type and the Bank Account Number.

k. **Members holding shares in dematerialized form**, may please note that while opening a depository account with participants they might have given **their bank account details**, which will be printed on their dividend warrants. However, if Members want to change/correct the Bank details, they should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for addition/deletion/change in bank account details furnished by Depository Participants to the Company.**

l. **Electronic Clearing System (ECS)** credit has been moved completely to the National Electronic Clearing System (NECS) platform through core banking system, effective from 01.10.2009. Accordingly, dividend will be credited to the shareholders bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholders to the Depository / Company, as the case may be, the Company will print details available in its records on the Dividend Warrants to be issued to such shareholders. This service provides instantaneous credit to the shareholders and also protects against fraudulent interception and encashment of dividend warrants, besides eliminating dependence on the postal system, loss or damage of dividend warrants in transit and correspondence relating revalidation / issue of duplicate warrants.

m. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar the details of all such folios together with the Share Certificates for **consolidation of their holdings into a single folio.**

n. Pursuant to Sec 72 of the Companies Act, 2013 members are entitiled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their request in Form No. SH13 pursuant to rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014.

o. As required under the provisions of Section 124 of the Companies Act, 2013 [section 205-A(5) of the Companies Act, 1956], dividend for the financial year ended 31st March, 2007 and thereafter, which remain unclaimed for a period of seven years will be transferred to the **Investor Education and Protection Fund**

(IEPF) established by the Central Government.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.2007	27.09.2007	02.10.2014	01.11.2014
31.03.2008	11.09.2008	12.09.2015	11.10.2015
31.03.2009	23.09.2009	24.09.2016	23.10.2016
31.03.2010	19.08.2010	22.08.2017	21.09.2017
31.03.2011	29.09.2011	28.09.2018	27.10.2018
31.03.2012	28.09.2012	27.09.2019	26.10.2019
31.03.2013	30.08.2013	29.08.2020	27.09.2020

p. Members are informed that the dividend for the financial year 2006-07 shall become due for transfer to IEPF on 01.11.2014. Any member who has not claimed dividend in respect of the said financial year is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 02.10.2014. The Company has already sent reminders to all such members at their registered address in this regard.

As stipulated in Section 124(2) of the Companies Act, 2013, the Company shall within a period of 90 days of making any transfer of an amount Under Section 124(1) to the Unpaid Dividend Account and prepare a statement containing the names, their last known address and the Unpaid dividend to be paid to each person and place it on the website of the Company and also on MCA website.

q. Shareholders who have **not lodged their old share certificates of "The K.C.P.Ltd"** for exchange of new share certificates of both the Companies in terms of the approved Scheme of Arrangement are requested to surrender the same to The K.C.P.Ltd, No.2, Dr.P.V.Cherian Crescent, Chennai – 600 008 at the earliest with a copy marked to the Registrar. New share certificates of this Company will be despatched after receipt of confirmation from The K.C.P.Ltd.

r. Members are requested to **bring their copy of the Annual Report to the Meeting,** as copies will not be distributed at the Meeting hall, as a measure of austerity. Corporate Members are requested to send to the Company's Registrar and Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.

s. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested **to address their queries in writing** to the Secretarial Division **at least two weeks before the Meeting** so that the information may be made available at the Meeting.

t. The members are requested to register their e-mail address / any change in the already registered e-mail address, to the Company / Registrar and Transfer Agents to enable service of documents through electronic mode, in line with the Green Initiatives in Corporate Governance taken by the Ministry of Corporate Affairs, allowing paperless compliance by the Companies.

u. The Notice of the 19th AGM and instructions for E-voting along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the members whose e-mail address are registered with the Company / Depository Participant unless a member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the aforesaid documents are being sent by the permitted mode.

v. Members may also note that the notice of the 19th AGM and the Annual Report 2014 will be available on the Company's website www.kcpsugar.com . The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during the normal business hours on working days. Members who require communication in physical form, in addition to electronic communication or have any other queries, may write to us at investorservices@kcpsugar.com .

w. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

i. Item 4 to 7 - Appointment of Independent Directors

The strength of Board of Directors is eight, comprising of three wholetime directors, and five non-wholetime directors. One wholetime director and all the five non-wholetime directors are liable to retire by rotation, in accordance with section 255 of the Companies Act, 1956 (section 152 of the Companies Act, 2013). The Company is also in compliance with clause 49 of the Listing Agreement as the Company is having four independent directors, representing 50% of the total Board's strength. The details are disclosed in the Corporate Governance Report to the shareholders every year.

Section 149(10) of the Companies Act, 2013 mandates the appointment of independent director for a fixed term upto five consecutive years and eligibility of that independent director for reappointment for one more term of five years on passing of a special resolution by the Company. SEBI, vide circular dt. 17.04.2014 has advised stock exchanges to amend clause 49 of the equity listing agreement to align them with the Companies Act, 2013. The revised clause 49 which inter-alia deals with the independent directors is effective from 1st October 2014.

In order to ensure due compliance with the Companies Act, 2013 as well as the revised clause 49 of the Listing Agreement, the Company intends to pass requisite resolutions at this AGM for the appointment of independent directors. All the four existing independent directors of the Company qualify for appointment as independent directors for a tenure upto five years from the commencement of section 149. Accordingly, their appointments have been proposed for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

All the four independent directors have given a declaration in writing to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 in DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 that they are not disqualified under section 164 (2) of the Companies Act, 2013. It is further confirmed that in the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules made thereunder and they are independent of the Management.

The Company has received notice under section 160 of the Companies Act, 2013, from member(s) along with the requisite deposit of Rs.1.00 lakh each, signifying the intention to propose each of the candidates for the office of independent director, to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

Details of independent directors proposed for appointment are furnished in the annexure pursuant to the clause 49 of the Listing Agreement which forms an integral part of this notice.

Copy of the draft letter for appointment of each of them as Independent Director setting out the terms and conditions of appointment of independent directors as approved by the Board, are open for inspection by a member on any working day of the Company between 11.00 AM and 1.00 PM. This will also be posted on Company's website.

The Board considered that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointment of four Independent Directors for the approval by the shareholders of the Company.

Memorandum of Interest

Except the aforesaid four Independent Directors being appointees, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in any way, financially or otherwise, in the resolutions set out in Item No.4 to 7.

ii. Item 8 – Remuneration of Cost Auditor:

The Board of Directors, on the recommendations of Audit Committee, has approved the appointment and remuneration of Mr.V.Srinivasan, Cost Accountant (Membership No.1248) as Cost Auditor to conduct the audit the cost records of the Company for the financial year ending 31.03.2015. The remuneration of Rs.2,00,000/- plus service tax as applicable and reimbursement of out of pocket expenses, as determined by the Board based on the recommendations of the Audit Committee, is now placed for confirmation and ratification by the shareholders at this AGM in pursuance of section 148(3) of the Companies Act, 2013, read with rule 14 of the Companies (Audit & Auditors) Rules, 2014:

Mr.V.Srinivasan has confirmed that his appointment is within the limits of section 148 of the Companies Act, 2013 and has also certified that he is free from any disqualifications specified under section 148 of the Companies Act, 2013. The Audit Committee has also received a certificate from the said Cost Auditor certifying his independence and arms length relationship with the Company.

Product	Factory
Sugar	Vuyyuru and Lakshmipuram (both in Krishna Dist., A.P.).
Electricity	Vuyyuru and Lakshmipuram (both in Krishna Dist., A.P.).
Industrial Alcohol	Vuyyuru at Krishna Dist., A.P.
Bio-fertilizers	Vuyyuru at Krishna Dist., A.P.
Calcium Lactate	Vuyyuru at Krishna Dist., A.P.

Copies of the relevant resolutions of the Audit Committee and the Board are available for inspection by members on any working day between 11.00 AM and 1.00 PM.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions.

iii. Item 9 – Acceptance / Renewal of Deposits from public / members:

The Company has been accepting / renewing the deposits (unsecured) as per the schemes detailed below, from public / members till 31st March 2014 in compliance with the section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 as amended to that date.

SCHEME I - FIXED DEPOSIT				
Term	Deposits accepted for a period of Two / Three years.			
	Term	Rate of Interest	Amount	
	2 Years	9.5%	Rs.25,000/- and above, in multiples of Rs.1,000/- only.	
	3 Years	10%		
Interest payable	30th June	30th Sept	31st Dec.	31st March

SCHEME II - CUMULATIVE DEPOSIT	
Term	Deposits accepted for a period of THREE years only. No premature closure. No interest amount is accepted as fresh deposit / additional amount to enhance the principal amount at the time of renewal.
Rate of Interest	10% p.a. – interest compounded on quarterly basis, and payable on maturity.
Amount	Rs.25,000/- and above, in multiples of Rs.1,000/- only.

Consequent to enactment of Companies Act, 2013 which came into effect from 1st April 2014, allowing acceptance / renewal of deposits by companies from public / members only after due compliance of the terms and conditions prescribed under the said Act read with Companies (Acceptance of Deposits) Rules, 2014, and on approval of the resolution by the shareholders in the ensuing AGM for acceptance / renewal of deposits, the Company has temporarily suspended the acceptance / renewal of deposits with effect from 1st April 2014.

The Company has deposited 15% of the amount of deposits maturing in the financial year 2014-15 and in the next financial year 2015-16 in a separate bank account with a nationalized bank within the stipulated time, in pursuance of section 73(2)(c) of the Companies Act, 2013.

The Company had approached Credit Analysis and Research Ltd (CARE) for rating of Deposits held by the Company, in pursuance of section 76(1) of the Companies Act, 2013. Since the same Rating Agency had assigned a good rating on the bank facilities availed by the Company, the Company is hopeful of getting a good rating for Deposits as well, in view of the good financial discipline of the Company.

The Company is keen on getting adequate insurance coverage for the deposits held by the Company. Since the insurance companies are yet to come out with policy for such coverage, the Company will take adequate insurance coverage once the insurance companies are ready with relevant policy for the same.

The Company had already made arrangements to e-file Return of Deposits in Form DPT-3 and statement regarding deposits existing on the date of commencement of the Act (01.04.2014) in Form DPT-4, as required under Companies (Acceptance of Deposits) Rules, 2014.

The Company will issue necessary circular in Form DPT-1 to all its existing depositors / shareholders and release advertisement in newspapers (both in English and vernacular) and will file a copy of the circular with the Registrar of Companies, within the stipulated time, as contemplated under Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

The Company has not defaulted in the repayment of deposits or payment of interest on such deposits.

The Board recommends the resolution for necessary approval by the members.

// **BY ORDER OF THE BOARD** //

Place : Chennai
Date : 26.05.2014

VINOD R. SETHI
EXECUTIVE CHAIRMAN

ANNEXURE TO THE NOTICE

Details of the Directors seeking appointment / reappointment at the 19th Annual General Meeting

[Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges]

Particulars	Shri. Ranvir R.Shah	Dr.Vithal Rajan
Date of Birth	12.06.1962	16.07.1936
Date of Appointment	26.10.2005	26.10.2005
DIN	00041398	00021571
Qualification	Post Graduate in Political Science	Doctorate from London School of Economics.
Expertise in specific functional areas	Over two decades of business experience in domestic and international markets.	An Economist of repute and is associated with many NGOs for eradication of social and economic backwardness.
Directorship held in other Companies (excluding foreign companies)	A.R. Gherkins India Pvt.Ltd. India Agro Exports Pvt.Ltd. P.S.Exports & Consolidates Pvt.Ltd. Shah Apparels Pvt.Ltd. Shah Industries & Consolidates Pvt.Ltd.	--
Membership / Chairmanships of Committees of other companies	--	--
No. of shares held in the Company	1,25,010	NIL
Inter se relationship with any Director	NIL	NIL

Particulars	Shri.M.S.V.M.Rao	Shri. Prathap K. Moturi
Date of Birth	27.09.1955	25.07.1949
Date of Appointment	17.12.2005	21.06.2013
DIN	00432640	00020630
Qualification	Post Graduate in Political Science	Chartered Accountant
Expertise in specific functional areas	Expert in agriculture related activities.	Four decades of rich experience in handling Accounts, Audit, Taxation of various Companies.
Directorship held in other Companies (excluding foreign companies)	--	--
Membership / Chairmanships of Committees of other companies	--	--
No. of shares held in the Company	10	NIL
Inter se relationship with any Director	NIL	NIL

Your Directors present their 19th Annual Report and the audited statement of accounts for the year ended 31st March 2014. The financial statements have been presented in the new format in accordance with the changes brought about by the Revised Schedule III to the Companies Act, 2013.

I. FINANCIAL RESULTS:

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Physical Performance		
Cane crushed – in Tonnes	10,59,851	10,45,524
Sugar bagged – In Quintals	10,55,750	10,44,649
Financial Performance – Rs. Crores		
Turnover	443.30	505.57
Other Income	6.91	5.20
Profit Before Tax	33.28	55.60
Profit After Tax	27.66	38.76
Surplus from Previous Year	92.89	71.39
Amount available for appropriation	120.55	110.15
Appropriations		
Transfer to General Reserve	3.00	4.00
Proposed Dividend	9.64	11.34
Tax on proposed Dividend	1.64	1.92
Carried forward	106.27	92.89

II. PERFORMANCE:

During the financial year under review your Company recorded a Turnover of Rs. 443.30 crores (Prev. Year: Rs.505.57 cr.) including Excise Duty of Rs. 10.86 crores (Prev.Year: Rs.12.63 cr.) and Inter-divisional transfers of Rs. 93.04 crores (Prev. year: Rs.76.16 cr.). The profit before finance cost and depreciation is Rs. 48.92 crores. Profit before tax is Rs. 33.28 crores and after adjustments relating to payment of Income Tax pertaining to earlier years, provision for current tax and Deferred Tax, the Profit after tax is Rs. 27.66 crores.

The decrease in profit is due to reduction in sugar off-take coupled with lesser realisation.

III. DIVIDEND:

The Board of Directors recommends a dividend of Re.0.85 per equity share of face value of Re.1/- each on the Paid-up Equity Capital for the year ended 31.03.2014 as against Re.1.00 per equity share, approved for the previous year ended 31.03.2013. The dividend recommended by your Directors, if approved at the ensuing Annual General Meeting by the Shareholders would be paid within the stipulated time.

IV. SHARE CAPITAL AND RESERVES:

The Share Capital of the Company is Rs.11.33 crores. The General Reserve as at 01.04.2013 was Rs.113.00 crores and after transferring from Net Profits a sum of Rs. 3.00 crores to the General Reserve for the year ended 31.03.2014 the General Reserve stood at Rs. 116.00 crores as on 31.03.2014. The total Reserves and Surplus has increased to Rs.224.28 crores as on 31.03.2014 as against Rs. 207.89 crores as on 31.03.2013.

V. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Sugar Industry - Opportunities, Threats and Future Outlook:

Opportunities:

The long term outlook for sugar remains positive and promising on account of:

- Mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.
- Growing energy consumption in India allowing the sugar industry to play a vital role.
- Environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output.
- Expected flow of funds from Trading of Renewable Energy Certificate (REC).
- More emphasize on Bio-composting process and consequent efforts to convert organic and inorganic matter into bio-manure to ensure zero discharge from the distillery combining with press mud.
- Growing demand for bio manure, which works as the perfect soil conditioner. Bio manure made from distillery and organic matter does not allow leaching of chemicals and hence can offer a solution to the problem of depletion of soil productivity.

Threats:

Sugar industry is at present confronted by the following threats:

- Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar.
- The spurt in cane procurement prices is expected to remain volatile for a couple of years.
- Cyclical nature of industry and local climatic conditions over the crop affecting both the quantity and quality of cane available.
- Sugar weightage in WPI.
- Short crushing season.
- Shrinkage of sugarcane area under cultivation due to growing urbanisation.

Future Outlook:

The future outlook of sugar would depend on the following:

- Development of high breed varieties of sugarcane suitable for Indian climatic conditions and to achieve vertical growth in sugarcane productivity.
- Development of suitable sugarcane harvesting machine for Indian soil conditions and operable in fragmented land holdings.
- Swift adaptation of new cultivation method for mechanised harvesting.
- Agro-climatic conditions in major sugar-producing states.
- Permitting Green Energy producers to market directly to third parties.

b. REVIEW OF OPERATIONS:

i. SUGAR UNITS AT VUYYURU AND LAKSHMIPURAM:

The summary of cane crushed, sugar bagged, etc. of both the Sugar Units for the last two seasons and financial year wise are presented herein below:

SEASONWISE

UNIT / SEASON / PARTICULARS	VUYYURU		LAKSHMIPURAM	
	2013-14	**2012-13**	**2013-14**	**2012-13**
Crushing commenced on	**11.12.2013**	28.11.2012	**12.12.2013**	08.12.2012
Crushing completed on	**10.04.2014**	24.03.2013	**17.03.2014**	27.02.2013
No. of days	**121**	117	**95**	81
Cane crushed (in MT)	**8,03,318**	7,69,209	**2,85,464**	2,27,531
Sugar Bagged (in qtls)	**8,21,468**	7,78,220	**2,74,470**	2,06,768
Recovery (%)	**10.24**	10.10	**9.62**	9.11

FINANCIAL YEARWISE

UNIT/YEAR ENDED / DETAILS	VUYYURU		LAKSHMIPURAM	
	31.03.2014	**31.03.2013**	**31.03.2014**	**31.03.2013**
2012-13 Season – From - To	**	01.04.2013 to 24.03.2013	**	08.12.2012 to 27.02.2013
2013-14 Season - From / To	**11.12.2013 to 31.03.2014**	**	**12.12.2013 to 17.03.2014**	**
No. of days	**111**	128	**95**	81
Cane crushed (in MT)	**7,74,387**	8,17,993	**2,85,464**	2,27,531
Sugar Bagged (in qtls)	**7,81,280**	8,37,881	**2,74,470**	2,06,768
Recovery (%)	**10.09**	10.24	**9.62**	9.11

ii. INDUSTRIAL CHEMICALS / COGENERATION / OTHER UNITS:

Vuyyuru Distillery Unit produced 78.08 lakh litres during the year ended 31.03.2014 as against 101.71 lakh litres during the previous financial year. As against this, the said Unit sold 79.96 lakh litres valued at Rs. 25.65 crores during the year under review as against 89.99 lakh litres valued at Rs. 23.04 crores during the previous year.

The Bio-fertilizer unit at Vuyyuru sold about 1.63 lakh Qtls valued at Rs. 6.17 crores as against 1.49 lakh qtls valued at Rs. 5.20 crores during the previous year.

Cogeneration Unit at Vuyyuru produced 31,373 MW of power during the financial year under review as against 36,436 MW in the previous year, and the Lakshmipuram Unit produced 7,189 MW of power as against 5,947 MW in the previous year. In all, total export of electrical energy was 12,422 MW resulting in a turnover of Rs. 4.48 crores as against 13,836 MW at a turnover of Rs. 4.88 crores during the previous year. The Calcium Lactate plant contributed Rs. 2.09 crores towards its turnover of the Company as against a turnover of Rs. 1.22 crores during the previous year.

c. INTERNAL CONTROL SYSTEMS:

The Company has a well-established internal control system in place to ensure smooth functioning of operations. The control mechanism involves well-documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures. The Internal Auditor periodically reviews and makes continuous assessments of the adequacy and effectiveness of the internal control and systems. The Board, Audit Committee and the Management review the findings and recommendations of the Internal Auditor and take corrective action wherever necessary. The Company is committed in its endeavour to ensure an effective internal control environment that provides assurance on the effectiveness of operations, statutory compliance, and reliability of financial reporting and security of assets.

d. HUMAN RESOURCES:

The Company had 931 employees, including non-seasonal employees at the sugar units, as on 31.03.2014. The Company ensures high standards of safety for its employees and periodically conducts meetings to minimize operational hazards. The Company believes that people are the key to success and hence the human resources function pro-actively develops innovative and business focussed methods to attract, motivate, develop and retain talented, competitive manpower sources.

e. AWARDS:

During the year under review, your Company had received following Awards in respect of outstanding performance in Industrial Safety and Industrial Relations:

- BEST MANAGEMENT AWARD from Ministry of Labour & Employment, Government of Andhra Pradesh – In recognition for maintaining cordinal Industrial relations and workers welfare.
- WINNER – National Safety Award – Under Scheme-I – Performance year 2011 – from the Ministry of Labour, Government of India - Based on Lowest Average frequency Rate in Industry (Sugar Factory)
- WINNER – National Safety Award – Under Scheme-II – Performance year 2011 – from the Ministry of Labour, Government of India – Based on accident-free year (Sugar Factory)
- WINNER – National Safety Award – Under Scheme-VII – Performance Year 2011 – from the Ministry of Labour, Government of India – Based on Lowest Average frequency Rate in Industry (Distillery).
- RUNNER – National Safety Award – Under Scheme-VIII – Performance Year 2011 – from the Ministry of Labour, Government of India – Based on accident-free year (Distillery).
- WINNER - NSCI Safety Award 2012 (Mfg.Sector) – Suraksha Puraskar – Bronze Trophy – from National Safety Council of India, Mumbai, and awarded at New Delhi by Ministry of Labour – in recognition for developing and implementing very effective management systems & procedures and achieving very good performance in Occupational Safety & Health for the assessment period of three years 2009-2011.
- WINNER – National Safety Award – Performance Year 2011 – from the Ministry of Labour, Government of India – Based on Lowest Average Frequency Rate.
- WINNER – FAPCCI Excellence Awards 2011-12 by the Federation of Andhra Pradesh Chambers of Commerce and Industry – for Excellence in Corporate Social Responsibility.

f. OTHERS:

The Company has valid Pollution Control clearances in respect of both Air and Water for sugar units at Vuyyuru and Lakshmipuram and also for Distillery unit at Vuyyuru. The Company also takes adequate steps to safeguard the environment.

g. CAUTIONARY NOTE:

It is explicitly stated that some of the statements in this Management Discussion and Analysis report may be "forward looking" within the meaning of applicable laws and regulations. It may so happen that the actual events or results may be different from what the Board of Directors / Management perceives in terms of the future performance and outlook due to factors having a bearing on them and which are unforeseeable.

VI. FUTURE PLANS:

- To identify new technologies wherever it is possible and makes use of the same for improved results.
- Complete mechanisation of sugarcane cultivation and harvesting in order to reduce the excessive dependence on manpower and reduce cost.
- In-depth study is in progress in Distillery division to adopt new technologies for improving the yield and reduce the discharge of spent wash.
- Identifying value-added products from the by-products and to promote renewable energy from industrial waste.

VII. PERSONNEL AND INDUSTRIAL RELATIONS:

The Employee relations scenario continued to be harmonious and congenial. Acknowledging this, your Company has been awarded for outstanding efforts in maintaining cordial Industrial Relations and Labour Welfare by Government of Andhra Pradesh.

VIII. DIRECTORS:

Dr.Vithal Rajan and Shri.Ranvir R.Shah, Directors, who retire by rotation at this AGM and Shri.M.S.V.M.Rao, and Shri.Prathap K. Moturi, Directors, whose period of office is liable to determination by retirement of directors by rotation, are proposed to be appointed as Independent Directors at this AGM not liable to retire by rotation for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Companies Act, 2013.

IX. STATUTORY COMPLIANCES:

i. In compliance with section 285 of the Companies Act, 1956 (section 173 of Companies Act, 2013) the Board of Directors met six times in the financial year 2013-14.

ii. All the independent directors have furnished declaration that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

iii. In pursuance of section 178 of the Companies Act, 2013, the nomenclature of the existing Remuneration Committee has been changed to Nomination and Remuneration Committee and the said Committee is in the process of formulating the criteria for determining qualifications, positive attributes and the independence of director and for recommendation to the board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

iv. The company has complied with the provisions of section 372A of the Companies Act, 1956 (section 186 of the Companies Act, 2013).

v. The Company has complied with the provisions of section 188 of the Companies Act, 2013, in respect of related party transactions. There is no related party transaction which is material as per clause 49 – VII (C) of the Listing Agreement.

vi. Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is annexed to and forms part of this Report.

vii. Information as per Section 217(2A) of the Companies Act, 1956 read with the Company (Particulars of Employees) Rules 1975, is annexed and forms part of this Report. However, as per the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all shareholders of the Company, excluding the said annexure. Any Shareholder interested in obtaining a copy of the said statement may write to the Secretary at the Registered Office of the Company.

viii. As required by the Listing Agreements and Accounting Standards of the Institute of Chartered Accountants of India, the additional disclosures in respect of related party transactions have been made.

X. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required by Section 217 (2AA) of the Companies Act, 1956 (Section 134 of the Companies Act, 2013), your Directors certify as follows:

i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there were no material departures there-from;

ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2014 and of the Profit of the Company for that year;

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the Directors had prepared the annual accounts on a going concern basis.

v. That the directors had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively.

vi. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

XI. CREDIT RATING:

Credit Analysis & Research Ltd (CARE) has upgraded the Credit Rating on your Company as 'CARE 'A' (Single A) for long term bank facilities and 'CARE A1' (A One) for short term bank facilities assigned to your Company for the current year. Measured through industry yardstick these ratings are considered to be having adequate degree of safety and very strong degree of safety respectively, for a sugar mill.

XII. ISO CERTIFICATION:

Your Company has been certified consecutively for the past six years under BS EN ISO 14001:2004, BS EN ISO 9001:2000, and OHSAS 18001:2007 for Manufacture of sugar, associated products and site activities, and Occupational Health and Safety Management system by Lloyd's Registry Quality Assurance Limited. These certification has been renewed for a further period of three years.

XIII. RISK MANAGEMENT:

The Company has an effective risk management under which all probable risks are periodically identified, assessed and acted upon to minimize and mitigate their impact. These processes are subject to periodical review by the Management. Some of the risks identified are enumerated below:

i. Raw Material Risk:

Sugarcane being the main raw material for sugar, any disturbance in its timely availability will have a substantial impact on the operational cost. This in turn has a significant adverse effect since the market value does not factor the variable cost determined by the climatic conditions and the cane economics.

Mitigation Measure:

The Company always maintains healthy relationship with its farmers. It is one among very few companies in sugar industry paying its farmers within the stipulated time. The risk of raw material short supply is mitigated to a large extent by the goodwill and reputation for ethical dealings earned by the Company since inception. The experiments in farm mechanisation, drip irrigation, improved cane varieties, carefully monitored scheduling of cane planting and harvesting boost the confidence of the Company in mitigation of the risk.

ii. Policy Risk:

Central and State governments regulate the cane policies and they have a larger control on this industry by determining the raw material price and also influence the sugar selling price. The controls exercised by the Union and State governments over command area demarcation from time to time. Molasses movement control.

Mitigation Measure:

The Company is a member of South Indian Sugar Mills Association (SISMA) and works closely with it towards developing appropriate policy recommendations to represent the industry needs to the government. Formulation of policy on Ethanol doping, review of cogeneration policy, and review of sugar weightage in WPI are some of the issues addressed in close liaison with SISMA.

iii. Cyclicality / Commodity Risk:

The sugar price is determined by the cyclicality of the sugar business and hence it affects the profitability. Sugar being a commodity traded across the world, its price is influenced by the various factors including the normal supply and demand.

Mitigation Measure:

The Company takes the following measures, which enable the Company to insulate itself against price risk.

- More focus on value-added downstream products
- Integration of sugar with cogeneration power and alcohol.

XIII. CORPORATE GOVERNANCE:

The Management Discussion and Analysis and the Report on Corporate Governance are included as a part of the Director's Report. A certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached to this Report.

XIV. FIXED DEPOSITS:

As on 31.03.2014 your Company had held deposits of Rs. 35.59 crores as against Rs. 38.05 crores as on 31.03.2013. As at 31.03.2014, there were matured and unclaimed deposits amounting to Rs. 0.43 crores in respect of 62 deposits. As on the date of this report amount of unclaimed deposits Rs.0.21 crores.

Consequent to enactment of Companies Act, 2013 which came into effect from 1st April 2014, allowing acceptance / renewal of deposits by companies from public / members only after due compliance of the terms and conditions prescribed under the said Act read with Companies (Acceptance of Deposits) Rules, 2014, and on approval of the resolution by the shareholders in the ensuing AGM for acceptance / renewal of deposits, the Company has temporarily suspended the acceptance / renewal of deposits with effect from 1st April 2014. The Company is now seeking the approval of shareholders for acceptance / renewal of deposits.

In compliance with the provisions of Investors Education and Protection Fund constituted under Section 205C of the Companies Act, 1956, the Company has transferred one deposit amounting to Rs.25,000/- which remained unclaimed beyond the period of seven years from the date of maturity to the Investor Education and Protection Fund.

XV. SUBSIDIARY COMPANIES:

The income from the sale of products, services and other income of your wholly owned subsidiary The Eimco-K.C.P.Ltd was at Rs. 52.01 crores (P.Y. Rs. 38.52 crores) with an improved profit of Rs. 5.44 crores (P.Y. Rs. 2.23 crores) for the year ended 31.03.2014.

The other wholly owned subsidiary, KCP Sugars Agricultural Research Farms Ltd, has reported an Income from the sale of products, services and other income of Rs. 0.10 crore for the financial year ended 31.03.2014 as against Rs. 0.10 crores for the previous year ended 31.03.2013. The Company incurred a loss of Rs. 0.0013 crores as against the loss of Rs. 0.10 crores in the previous financial year.

The Statement as required under Section 212(3) of the Companies Act, 1956 in respect of the subsidiary companies is separately annexed.

XVI. AUDITORS:

The Statutory Auditors, M/s. B.Purushottam & Co., Chartered Accountants, Chennai, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. As per section 139 of the Companies Act, 2013, the Company proposes to appoint M/s. B.Purushottam & Co., Chartered Accountants, Chennai, for a period of three years from the conclusion of this Annual General Meeting, i.e., till the conclusion the 22nd Annual General Meeting, subject to ratification by members at every Annual General Meeting. The Company has received a written consent letter from the said Audit firm to such appointment and a certificate from the Audit firm that the appointment, if made, shall be in accordance with the conditions prescribed under section 139, 140 and 141 of the Companies Act, 2013. The Statutory Auditors of the Company have undergone the peer review process as stipulated under clause 41 of the Listing Agreement for issuance of Limited Review / Audit Report. Members are requested to consider their re-appointment for a period of three years from the conclusion of this AGM, on remuneration to be decided by the Audit Committee / Board of Directors.

The Company, since inception, remains in the regime of unqualified financial statements. The Company will comply with SEBI circular dt. 13.08.2012 and clause 31(a) of the Listing Agreement and submitt Form A along with Annual Report.

XVII. COST AUDIT:

Mr. V. Srinivasan, Cost Auditor, had been appointed by the Company to conduct the Cost Audit in respect of Sugar, Industrial Alcohol, Electricity, Fertilizer and Calcium Lactate for the financial year 2013-14. The Central Government's approval had also been received to this appointment. The Cost Audit reports for 2013-14 are due for submission on or before 30.09.2014.

The Cost Audit Reports for the financial year ended 31.03.2013 had been e-filed with the Ministry of Corporate Affairs, New Delhi, vide, SRN S-22564868 both dt. 27.09.2013.

In pursuance of Section 148 of the Companies Act, 2013, your Directors, on the recommendation of the Audit Committee, subject to ratification of his remuneration by the shareholders at this AGM, have appointed Shri. V. Srinivasan, Cost Accountant, Chennai, as the Cost Auditor to conduct the Cost Audit of Sugar,

Industrial Alcohol, Electricity, Fertilizer and Calcium Lactate, for the financial year ending 31st March 2015. Mr.V.Srinivasan has confirmed that his appointment is within the limits of section 148 of the Companies Act, 2013 and has also certified that he is free from any disqualifications specified under section 148 of the Companies Act, 2013. The Audit Committee has also received a certificate from the said Cost Auditor certifying his independence and arms length relationship with the Company.

XVIII. ACKNOWLEDGEMENT:

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Cane growers, the Shareholders, Banks, Institutions, Central and State governments, Depositors, Sugar Dealers, Business Associates, as also other regulatory authorities for their continued support and cooperation.

Your Directors would also to place on record their sincere appreciation for the total commitment, dedication and hard work put in by all the employees, which contributed to the Company's progress during the year under review.

For and on behalf of the Board of Directors

Place : Chennai
Date : 26.05.2014

VINOD R. SETHI
EXECUTIVE CHAIRMAN

A. CONSERVATION OF ENERGY:

Measures taken, additional proposals and impact on reduction of energy consumption:

Measures taken towards conservation of energy include:

1. Installed lotus rollers for the last mill of both mill tandems (as top roller) which improved juice drainage area and reduced sugar percentage in begasse. We have also used hot water having a temperature of around 55 C for imbitions. This improved the mill performance and reduced sugar percentage in bagasse, due to improved satitation and increase in mixed juice temperature by 1.5 deg.C at mills. Bagasse combustion at boilers also improved.
2. Design modifications of flue gas and optimization ID Fan parameters resulted in combustion efficiency improvement and power saving.
3. Old evaporator bodies were replaced with latest design evaporator bodies and thereby steam and power were saved.
4. Installed 2nd stage clear juice heater which saved steam % cane by 0.75%.
5. Used only single air compressor for operation of different equipment at both sugar and co-gen plant which saved power consumption by 55 kwh/hr.
6. Replaced co-gen cooling tower pump of 200 m3/hr with 100 M3/hr capacity pump which saved 40 kwh.
7. We have removed the wooden cooling tower and modified with RCC structure which improved cooling tower efficiency and thereby power and water are saved.
8. Modifications are done to existing 0.6 MW TG set to increase the capacity to 0.8 MW which resulted in replacement of DG power with TG power and thereby more fuel and money saved.
9. This year boiler make up water quantity reduced from 16T/hr to 10 t/hr with effective feed water management.
10. Reduced fermentation cycle time in the Calcium Lactate plant from 15 days to 13 days and thereby achieved power saving by 90 Kwh per ton of the Calcium lactate produced.
11. Installation of LED lights in place of MV and SV lamps to save 30,000 units per annum.
12. Installation of solar panels to 6 HP submersible pump at our research farm to test its efficiency and to motivate farmers towards renewable power.
13. Installation of static excitation system to 12 MW alternator to reduce down time.
14. Installation of 950 KVA transformer for reducing transmission losses.
15. Replacement of 200 HP cooling towar water pump with 100 HP pump to reduce power consumption at cooling tower.
16. Installation of auto slip regulator to 2nd Mill tandem Preleveller motor for power saving.
17. Technology up-gradation of DC drives at centrifugal machines to reduce down time and to improve capacity.
18. Utilisation of exhaust incondensable vapors of evaporator to molasses conditioner.
19. Exhaust flash vapors utilized for boiler Deaerator.
20. Installation of harmonic filters in power system.
21. VFD for air compressor.

Additional proposals and Impact on reduction of energy consumption:

- To replace steam turbine at Shredders of both tandems with Electrically driven to achieve a power saving of 500 kwh/hr.
- To replace steam ejector with vacuum pump in Co-gen Unit to achieve a power saving of 25 Kwh/hr.
- Utlisation of steam through 0.8w TG set to distillery unit(@4.5 TPH) which avoids live steam bleeding to distillery. By doing this we can export additional power of 300 Kwh.
- To replace mill imbition water pump of 30 mts. Head with 60 mtrs. Head to reduce sugar loss and moisture in bagasse.

- Installation of high efficiency I njection water pumps to achieve reduction in power consumption, and water consumption.
- Installation of latest centrifugal machines with higher capacity for "B" curing to minimize breakdown of the machines and to reduce power consumption.
- Installation of VFD fior F BDC blower jotors to reduce power consumption.
- Technology up-gradation of DC drives to reduce down-time and improve efficiency.
- To replace 7.5 MT crane with 15 T capacity to minimize breakdowns at crane unloader area.
- Installation of one vertical crystallizer for 'C' massecuite to achieve reduction in power consumption and minimization of off-seasonal maintenance.
- Installation of VFD FOR 300 HP Injection water pump to achieve power saving.
- Installation of VFD for new clear juice pump to achieve power saving.
- Installation of VFD to clear juice pump to reduce power consumption.
- Installation of Energy Data Logging System at power house for identifying and reducing losses.
- Replacement of low efficient rewinding motors with IE 3 efficiency motors in phased manner.
- Installation of lighting energy saver for reducing power consumption and to improve durability of luminaries.
- Technology up-gradation of DC drives to reduce down time and improve efficiency.
- Installation of Double source panel to sugar cooling tower for effective loading of 12 MW and 3 MW alternators to improve efficiency of both TG sets.
- Installation of capacitors for improving power factor and reducing maximum Demand and losses.
- Installation of VFD to service water pump for power saving.
- Installation of solar inverters at AGT farm for reducing diesel consumption.
- AC drives for second Mill.
- Batch Pan Automation.
- Solar Panel with LED lighting system for street lighting.
- VFD Drive for Feed Water pump.
- 1600M2 Falling Film / Suitable Design Evaporator is to be provided as Vapor Cell.

ANNEXURE – FORM A

(See Rule 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

	SUGAR UNITS AT			
	VUYYURU		LAKSHMIPURAM	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
A) Power and Fuel Consumption				
Electricity				
a. Purchased				
Units KWH	11,59,721	10,34,283	4,98,147	4,18,396
Total Amount Rs.	82,94,784	75,78,899	39,43,842	32,46,682
Rate / Unit Rs.	7.15	7.33	7.92	7.76
b. Own Generation				

i. Through Diesel Generator :				
Units KWH	14,922	1,22,330	12,776	1,25,110
Unit per ltr. Of Diesel Oil	3.21	3.10	2.66	2.71
Cost / Unit Rs.	14.95	14.56	20.17	16.76
ii. Through SteamTurbine/ Generator :				
Unit KWH	3,13,72,700	3,64,35,700	71,88,260	59,48,138
KWH per tonne of bagasse	262.19	272.45	187.49	176.49
Cost / Unit	2.78	2.20	2.20	1.78
B. Consumption per unit of production Electricity KWH (per Tonne)	208.29	215.43	218.21	244.78

B. TECHNOLOGY ABSORPTION:

FORM 'B' – FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH AND DEVELOPMENT (R & D)

1 & 2 SPECIFIC AREA IN WHICH RESEARCH AND DEVELOPMENT IS CARRIED OUT BY THE COMPANY AND BENEFITS DERIVED THEREFROM:

- Several varieties of Sugar Cane, which were collected from the research stations of all parts of the country, were tested for their adaptability to our location for achieving higher yield and high sugar recovery and some of the varieties were found suitable for our soil conditions. This is an ongoing process.
- We established Maruthi Bio Control Lab for producing trichogamma egg cards for control of early shoot borer and inter nodal borer.
- Green manure application in the maximum sugarcane cultivable area for soil organic matter improvement.
- Basal application of phosphoric and organic fertilizers for improving soil fertility and thereby increasing Sugar cane yield.
- Developing sprouted Sugar cane seedlings and planting, for reduction of crop duration by one month and productivity improvement.
- Commercialisation of mechanical cane harvesting and implementation of wider row planning system, in the cane growers fields for stabilization of sugar cane area.
- Wide application of bio-dynamics and bio-wonder for improvement in soil fertility in sugar cane area.
- Reclamation of saline soils.
- Testing of different micronutrient combination and other chemicals for yield improvement and soil enrichment.
- Encouraging multi rations for stabilizing sugar cane area and reducing the cost of cultivation to the grower.
- Sub-surface irrigation system helps in near complete mechanization in sugar cane cultivation.
- New variety evaluation trials

Research Projects in progress:

- A trial project is taken up to control the odour and reduce the colour of the Bio methanated spent wash of the Distillery, with the coordination of the Swaminathan Research Foundation.
- A trial is taken up to utilize the solid biomass generated after the completion of the fermentation process during the production of Calcium Lactate, as feed to in aqua and poultry Industries.
- A trial is taken up for mechanization of the bagging of Bio compost to minimize man power requirement.

Benefits derived:

- Stabilisation of sugar cane area and crushing of more quantity of cane.
- Reducing the cost of cultivation and making sugar cane cultivation more profitable.
- Dependency on manual labour for sugarcane harvesting was minimized.
- Reduction in usage of Inorganic fertilizer by substituting the usage of the organic manures and thereby enriching the soil fertility, productivity improvement and reducing the fertilizer cost.

3. EXPENDITURE ON R & D:

				Amt. in Rs.
a. Capital	..	..	..	---
b. Recurring	..	..	..	23,32,194
c. Staff Cost	..	..	..	61,33,057
d. Total	..	..	..	84,65,251
Total R & D expenditure as a % age of total turnover:				0.19 %

4. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings	..	..	Rs. NIL
Foreign Exchange outgo	..	..	Rs. 7,48,678/-

For and on behalf of the Board of Directors

Place : Chennai
Date : 26.05.2014

VINOD R. SETHI
EXECUTIVE CHAIRMAN

1. **Company's philosophy on Code of Governance**

The Company firmly believes in high standards of corporate governance and adheres to sound corporate practices, constantly striving to improve them and adopt the best practices. The Company's objective is to go an extra mile beyond mere compliance of the statutory requirement. The Company is deeply committed to upholding the core values of integrity, transparency, responsibility, effective internal control and quality in all its activities and processes.

2. **Board of Directors**

2.1 Composition:

- The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. At present, the Board consists of eight members, with three promoter Directors (Executive) and four Independent Directors and one Non-Executive Director.
- The day-to-day management of the Company rests with the Managing Director.
- The Independent Directors on the Board are experienced and competent persons from their respective fields. They take active part at the Board and Committee Meetings which add value in the decision making process of the Board of Directors.
- In line with amended clause 49 of the Listing Agreement on the composition of the Board of Directors, the Company has taken effective steps for its due compliance.
- None of the Director on the Board is a Member of more than 10 Committees or act as Chairman of more than 5 Committees across all the Companies in which he/she is a Director as required under clause 49.
- The Independent Directors have confirmed that they satisfy the criteria of independence as required under section 149(7) of the Companies Act, 2013 and as stipulated under clause 49 of the Listing Agreement.
- No Independent Director is a relative of any other Director.

2.2 Board Meetings / AGM - Attendance and Directorships / Committee Memberships:

Name of Director	Category of Directorship	No. of Board Mtgs. attended	Attend-ance at the last AGM On 30.08.13	**No.of Directorships, Committee Membership / Chairmanship in other public companies		
				Directorship	Committee Membership	Committee Chairmanship
Shri.Vinod R.Sethi DIN 00106598	Whole-time Director – Executive Chairman – Promoter Group	6	Yes	4	1	-
Smt.Irmgard Velagapudi M.Rao DIN 00091370	Promoter and Managing Director	6	Yes	--	--	--
Smt.V.Kiran Rao DIN 00091466	Promoter and Executive Director	4	No	--	--	--
Shri.K.A.Rangaswamy DIN 00020891	Non-Wholetime Director	6	Yes	--	--	--
Shri.Ranvir R. Shah DIN 00041398	Non-Wholetime Independent Director	6	No	--	--	--
Dr.Vithal Rajan DIN 00021571	Non-Wholetime Independent Director	6	Yes	--	--	--
Shri.M.S.V.M.Rao DIN 00432640	Non-Wholetime Independent Director	6	Yes	--	--	--

Shri.Prathap K.Moturi DIN 0020630	Non-Wholetime Independent Director	5	Yes	--	--	--

** In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees & Shareholders / Investors Grievance Committees of all Public Limited Companies governed by Companies Act, 1956, have been considered.

- Shri. Vinod R.Sethi, Smt. Irmgard Velagapudi M.Rao and Smt. V.Kiran Rao are relatives.
- Independent Directors do not have any direct or indirect material pecuniary relationship with the Company and they meet all the criteria of independence as provided in section 149(6) of the Companies Act, 2013, read with rules made thereunder and comply with the code for independent directors as per schedule VI of the Companies Act, 2013.
- None of the Directors received any loans / advances from the Company during the year under review, as per section 185 of the Companies Act, 2013.

Board Meetings held during the year :

There were six Board Meetings held during the financial year 2013 - 14 on the following dates:

1	29.05.2013	**4**	30.08.2013
2	21.06.2013	**5**	30.10.2013
3	08.08.2013	**6**	06.02.2014

3. Audit Committee

Composition and Terms of Reference :

The Audit Committee presently comprises of five members, viz, three Non-Wholetime Independent Directors, one Non-wholetime Director, and one Whole-time Director. The Chairman of the Audit Committee is Shri. M.S.V.M.Rao, an Independent Director, nominated by the Board at its meeting held on 26.05.2014. Shri. Vinod R. Sethi, Executive Chairman, Dr.Vithal Rajan, Shri.Prathap K.Moturi (Independent Directors), and Shri.K.A.Rangaswamy, Non-wholetime Director, are presently its other members. The composition of Audit Committee is in compliance with section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Terms of Reference of the Audit Committee:

a. The Committee has oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommends for appointment, remuneration and terms of appointment of auditors of the company.

c. Approves payment to statutory auditors for any other services rendered by the statutory auditors.

d. Reviews with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause © of sub-section 3 of section 134 of the Companies Act, 2013;

   ii. Changes, if any, in accounting policies and practices and reasons for the same.

   iii. Major accounting entries involving estimates based on the exercise of judgment by management;

   iv. Significant adjustments made in the financial statement arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

   vi. Disclosure of any related party transactions

   vii. Qualifications in the draft audit report.

e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue

(public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

h. Approval or any subsequent modification of transactions of the company with related parties.

i. Scrutiny of inter-corporate loans and investments.

j. Valuation of undertakings or assets of the company, wherever it is necessary.

k. Evaluation of internal financial controls and risk management systems.

l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

n. Discussion with internal auditors of any significant findings and follow up thereon.

o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

r. To review the functioning of the Whistle Blower mechanism.

s. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc, of the candidate.

t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Meetings and attendance during the year:

There were four meetings of the Audit Committee during the year, viz., on 29.05.2013, 08.08.2013, 30.10.2013, and 06.02.2014. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Shri.K.A.Rangaswamy	4
Shri. Vinod R.Sethi	4
Smt.V.Kiran Rao	4
Dr Vithal Rajan	4
Shri.M.S.V.M.Rao	4
Shri. Prathap K. Moturi	3

4. Nomination & Remuneration Committee :

The Remuneration Committee was renamed as Nomination & Remuneration Committee and was reconstituted by the Board at its meeting held on 26.05.2014, nominating Dr.Vithal Rajan, an Independent Director, as Chairman of the Committee and Shri. Vinod R. Sethi, Executive Chairman, Shri.Ranvir R.Shah (Independent Director), and Shri.K.A.Rangaswamy, Non-wholetime Director, as members of the Committee. The composition of Nomination & Remuneration Committee is in compliance with section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement. The terms of reference in pursuance of section 178 of the Companies Act, 2013, includes the following:

- Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment / removal, and shall carry out evaluation of every director's performance.
- Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- Committee while formulating the policy, shall ensure:

  i. the level and composition of remuneration is reasonable and sufficient to attract retain and motivate the directors of the quality required to run the company successfully.

  ii. Relationship of remuneration to performance is clear and needs appropriate performance bench-marks and

  iii. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

  The Whole-time Directors are paid salaries, allowances/perquisites, and in addition, commission if it arises, within the limits under the Companies Act, 2013 and subject to the further limits, if any as approved by the Shareholders. The remuneration paid to the Whole-time Directors during 2013-14 is as below:

(Rs. in Lakhs)

Directors	Salary & Allowance	Contribution to PF	Perquisites	Commission	Total
Shri.Vinod R.Sethi	12.00	1.44	0.75	95.87	110.06
Smt.Irmgard Velagapudi M.Rao	48.00	--	0.00	62.06	110.06
Smt.V.Kiran Rao	36.00	4.32	0.90	68.84	110.06

The Committee did not meet during the financial year 2013 – 14.

The Non Executive Directors are paid a sitting fees of Rs.20,000/- per Meeting of the Board / Committee attended by them apart from daily allowance and out of pocket expenses. In addition, pursuant to Section 309 of the Companies Act, 1956, they are entitled to a remuneration by way of Commission not exceeding in aggregate, 1% of the net profits of the Company, subject to a maximum limit of Rs.1,75,000/- (Rupees One lakh and seventy five thousand only) per Director, for each of the financial years from 2011–12 to 2015-16, in terms of the approval granted by the Shareholders at the Sixteenth Annual General Meeting held on 29.09.2011. The details of the remuneration paid to the Non- Executive Directors during the year 2013 - 14 are given below:

(Rs. in Lakhs)

Directors	Commission	Sitting Fees	Total
Shri.K.A.Rangaswamy	1.75	4.60	6.35
Shri. Ranvir R.Shah	1.75	1.20	2.95
Dr.Vithal Rajan	1.75	2.00	3.75
Shri.M.S.V.M.Rao	1.75	2.00	3.75
Shri.Prathap K. Moturi (on pro-rata from 21.06.2013 – to 31.03.2014 - 284 days)	1.36	1.60	2.96
Total	**8.36**	**11.40**	**19.76**

5. Shareholdings of Non Executive Directors:

The Shareholdings of the Non-Executive Directors are as below:

Directors	No. of shares held (F.V.of Re.1/-each)
Shri.K.A.Rangaswamy	2,260
Shri. Ranvir R. Shah	1,25,010
Dr.Vithal Rajan	Nil
Shri.M.S.V.M.Rao	10
Shri.Prathap K. Moturi	Nil

6. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee is vested with the powers to look into the problems / grievances of Shareholders/Investors as per SEBI norms. The Chairman of the Committee is Shri.K.A.Rangaswamy, a Non-Wholetime Director with Smt.Irmgard Velagapudi M.Rao, Managing Director, and Smt.V.Kiran Rao, Executive Director, as its other Members. The composition of the Committee is in compliance with section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Committee normally meets once / twice in a month based on the volume of transfers. The terms of reference encompasses:

a. To approve requests for share transfers, transmissions, transpositions, dematerialization, split and duplicate shares.

b. To review and take all necessary steps for redressal of investor's grievances and complaints as may be required in the interests of the investors.

There were 13 meetings of the Share Transfer Committee held during the year. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Shri.K.A.Rangaswamy	13
Smt.Irmgard Velagapudi M.Rao	9
Smt.V.Kiran Rao	11

Shri.S.Chidambaram, General Manager (Finance) & Company Secretary, is the Compliance Officer of the Company. M/s. Integrated Enterprises (India) Ltd are the Registrars, Transfer Agents and Depository Registrars of the Company for physical / electronic shares. All transfer of shares received by the Company/Registrars during the year has been processed. During the year, 411 queries / complaints were received from the shareholders, all of which have been resolved.

Nature of Queries / Complaint	During the year ended 31.03.2014	
	Received	Attended to
Non-receipt of Certificates	13	13
Non-receipt of Interest / Dividend Warrants/ Cheques / Drafts	31	31
Issue of Duplicate Share Certificates	2	2
Issuance of Duplicate Dividend Warrant / Cheque / Drafts / Revalidation	226	226
Correction in Share Cert./Dividend Warrant / Cheque / Drafts	78	78
Non-Receipt of Annual Report	1	1
General queries-request for change of address, procedure for transmission of shares/procedure for loss of share certificates/ Nomination\	60	60
TOTAL	**411**	**411**

7. Corporate Social Responsibility Committee:

The Company has been voluntarily doing lot of social welfare activities in and around the places of Company's operations even before the Corporate Social Responsibility activities were made mandatory as per section 135 of the Companies Act, 2013. However, in compliance with the statutory provisions as per section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee has been constituted by the Board of Directors at its meeting held on 30.10.2013 with Smt.Irmgard Velagapudi, Managing Director, as the Committee's Chairperson, and Shri.Vinod R.Sethi, Executive Chairman and Shri. K.A. Rangaswamy, Director, as members. Shri.M.S.V.M.Rao, an independent director, was inducted as member in the Committee by the Board at its meeting held on 26.05.2014.

CORPORATE SOCIAL RESPONSBILITY ACTIVITIES:

As part of corporate social responsibility, the Company has been involving and participating in various events by organizing rallies, processions, campaigns to propagate and sensitize employees, colony residents and public of vicinity on the eve of:

- World Environment Day
- National Safety Day
- Celebration of Fire Service Week
- Celebration of World Health Day
- World Earth Hour.

The Company has been organizing Mega Health Checkup camps every year in coordination with Rotary Club, NGOs, to identify types of diseases by proper diagnosis and distribute medicines by involving doctors of corporate hospitals in various disciplines. Saplings plantation programme was organized by undertaking plantation in and around Vuyyuru, surrounding villages and our manufacturing facilities for the development of green cover. Further, the Company had developed avenue plantation on both sides of the highways and along the interior roads in Krishna District and this is an ongoing process every year.

The Company has been digging re-charge wells to conserve the water and also widely encouraging drip irrigation as part of best water management practices by enlightening the farmers. The Company has subsidized to the farmers to an extent of 25% of the cost of the re-charge bore wells.

As part of development of organic farming, the company has been propagating the use of Bio-fertilizers manufactured in the Company's Biotech facilities for application to the crops for better output and yield which enriches the land health and fertility. Bio insecticides are being used widely to discourage chemical insecticides.

The Company has also been putting its efforts to supply clean potable drinking water in participation with Naandi Foundation and other NGO's to nearby villages and educational institutions.

The Company has also been organizing every year Veterinary Camps, Eye Camps in massive scale in entire Krishna District. Further, blood donation camps were organized and also were arranging blood donors to the needy patients among the Company's employees.

The Company has been donating for the construction of panchayat buildings, police stations, fire stations, veterinary hospitals, cyclone shelters, school buildings. The Company is also conducting periodically Immunization camps, family welfare camps and AIDS and polio awareness camps, etc.

The Company has been conducting awareness programmes on pulse polio programme, AIDS, Population Day, World Olympic Day, etc, through involvement of voluntary organizations like Rotary Club, Lions Club, and Inner Wheel Club of Vuyyuru.

The Company has been organizing camps / rehabilitation centres for fire and flood victims by providing food / utensils / cloths / medicines in times of natural calamities and fire accidents.

The Company is donating liberally directly and through Rotary Club, NGOs and other Government agencies, for promotion of the following community development activities:

- Building houses for poor.
- Building Bus shelters and low cost individual toilets
- Building roads, bridges and culverts for better connectivity.

- Helping Educational Institutions and children of rural areas to promote literacy
- Liberally donating relief fund in times of natural disasters
- Environment and safety awareness sessions conducted in nearby schools and villages.
- Financial assistance to poor patients for surgery, treatment, etc.

8. Venue and time of last three Annual General Meetings:

AGM for the financial year ended	Date / Time	No of Special resolutions	Members Present	
			in Person	By Proxy
31.03.2011	29.09.2011 at 10.00 a.m.	1	54	4
31.03.2012	28.09.2012 at 10.00 a.m.	--	471	13
31.03.2013	30.08.2013 at 10.00 a.m.	--	767	19

a. All the three AGMs were held at "Sathguru Gnanananda Hall", Narada Gana Sabha, 314, TTK Road, Alwarpet, Chennai 600018.

b. The Special Resolution set out in the Notice for the 16th AGMs was passed by the Shareholders at the said meeting with requisite majority.

c. No postal ballots were required to be used for voting on any of the items of business at the above meetings. At the ensuing AGM, there is no item on the agenda that needs approval by postal ballot.

9. Disclosures:

- **CEO and CFO Certification -**

  The Managing Director and the Chief Financial Officer have certified the Board / Audit Committee in accordance with Clause 49(V) of the Listing Agreement was placed before the Board at its Meeting on 26.05.2014.

- The Financial Statements for the year 2013-14 have been prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and there are no deviations.
- During the year under review, the Company has not raised any funds from public issue / rights issue / preferential issue.
- The Company has a whistle blower policy and affirms that no personnel have been denied access to the Audit Committee.
- The Board is of the bona fide belief that there are no materially significant Related Party Transactions made by the Company with its Promoters, Directors or the Management, their Subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

  Transactions with the Related Parties are disclosed in Note No. 40 of Notes to the Accounts in the Annual Report.

  During the last three years, there were no strictures for penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the Capital Markets.

- **COMPLIANCE:**

  The Board considers materially important, show-cause /demand notices received from the statutory authorities and the steps / action taken by the Company in this regard. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

- **Compliance with Corporate Governance Norms:**

The Company has complied with mandatory requirements of the Code of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted its Compliance Report in the prescribed format to the Stock Exchanges for the quarters ended 30.06.2013, 30.09.2013, 31.12.2013 and 31.03.2014. The statutory auditors have certified that the Company has complied with the

Corporate Governance norms as stipulated by the Stock Exchanges under clause 49 of the Listing Agreement. The said certificate is annexed to the Directors Report and will be forwarded to the Stock Exchanges and the Registrar of Companies - Tamil Nadu, Chennai, along with the Annual Report.

Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Chartered Accountant carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total Issued and Listed Capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL and is also placed before the Board of Directors.

Electronic Filing

NEAPS:

Quarterly Reports to be filed with the National Stock Exchange Ltd are filed through NSE Electronic Application Processing System (NEAPS) effective from quarter ended 31.12.2011.

SCORES:

As advised by SEBI, vide its circular dated 03.06.2011, the investor complaints, if any, are viewed and Action Taken Report (ATR) with supporting documents is submitted in SEBI Complaints Redress System (SCORES), a centralized web based complaint system.

Quarterly Compliance Report:

The Company has submitted for each of the four quarters during 2013-14, the Compliance Report to the Stock Exchanges in the prescribed format within the stipulated time.

- **Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for the Members of the Board members as well as the employees in the Senior Management of the Company. The Managing Director has confirmed and declared that all the Members of the Board as well of the employees in the Senior Management have affirmed compliance with the Code of Conduct. The Codes have been posted on the Company's website www.kcpsugar.com.

- **Prevention of Insider Trading:**

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. The Code is applicable to all the Directors / Officers and Designated Employees. The Code also aims to prevent dealing in the shares by persons having access to unpublished information.

- **Subsidiary Companies:**

The Company does not have any material non-listed Indian Subsidiary Company and hence is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. The Audit Committee periodically reviews the financial statements and the minutes of both the Subsidiaries are placed before the Board of Directors of the Company.

Risk Management

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the Management and mitigation measures to address such risks.

10. <u>Means of Communication:</u>

- The quarterly, half yearly and annual results are generally published in widely circulating national & local dailies such as *The Financial Express* (in English) and *Malai Sudar* (in Tamil).
- The Company has a website, www.kcpsugar.com. There were no presentations made to the institutional investors or analysts.
- As required under clause 47(f) of the listing agreement the Company has created a dedicated email ID investorservices@kcpsugar.com for registration and redressal of investor's grievances.
- The Management Discussion and Analysis Report forms part of the Annual Report.

11. Green Initiatives in Corporate Governance:

Ministry of Corporate Affairs have taken a Green Initiative in Corporate Governance by allowing paperless compliance by the Companies after considering the relevant sections of the Information Technology Act, 2000, for legal validity of compliances under Companies Act, through electronic mode.

The MCA Circular No.17/2011 dt. 21.04.2011 clarified that a Company would have complied with Section 53 of the Companies Act, if the service of document has been made through electronic mode, provided the Company has obtained the e-mail of Members for sending the Notice and documents through e-mail by giving advance opportunity to every shareholder to register his/her e-mail address and changes therein from time to time with the Company.

In pursuance of the said circular, the Company had sent notices to all shareholders during the financial year 2013-14 well in advance of dispatch of Annual Report 2013-14.

12. General Shareholder Information:

- **AGM: Date, Time and Venue**: 19th Annual General Meeting – on 11th day of September 2014 at 11.00 a.m. at "Sathguru Gnanananda Hall",Narada Gana Sabha, No.314, T.T.K.Road, Chennai 600018.
- **Date of Book Closure**

For the year ended 31.03.2014	Book Closure Date (s)	Dividend paid / payable
Dividend	04.09.2014 to 11.09.2014 (both dates inclusive)	The Board of Directors at their Meeting held on 26.05.2014 has recommended a dividend of Re.0.85 per equity share of face value Re.1/-, subject to the approval of Shareholders at the ensuing Annual General Meeting.
Payment date		On approval thereat, this dividend will be paid to the Shareholders on or after 11th September 2014 but within the statutory time limit.

- **Tentative Financial calendar** :
  i Financial Year – 1st April to 31st March.
  ii. First Quarter Results on or before 14.08.2014.
  iii. Half-yearly Results on or before 14.11.2014.
  iv. Third Quarter Results before 14.02.2015.
  v. Results for the year ending 31.03.2015 on or before 30.05.2015.
- **Listing on Stock Exchanges** : National Stock Exchange of India Ltd and The Bombay Stock Exchange Ltd.

  Annual listing fees have been paid to the National Stock Exchange and there is no amount outstanding as on date.
- **Custodial Charges** : The Company has already paid Custodial Charges to NSDL and CDSL for the financial year 2014-15.

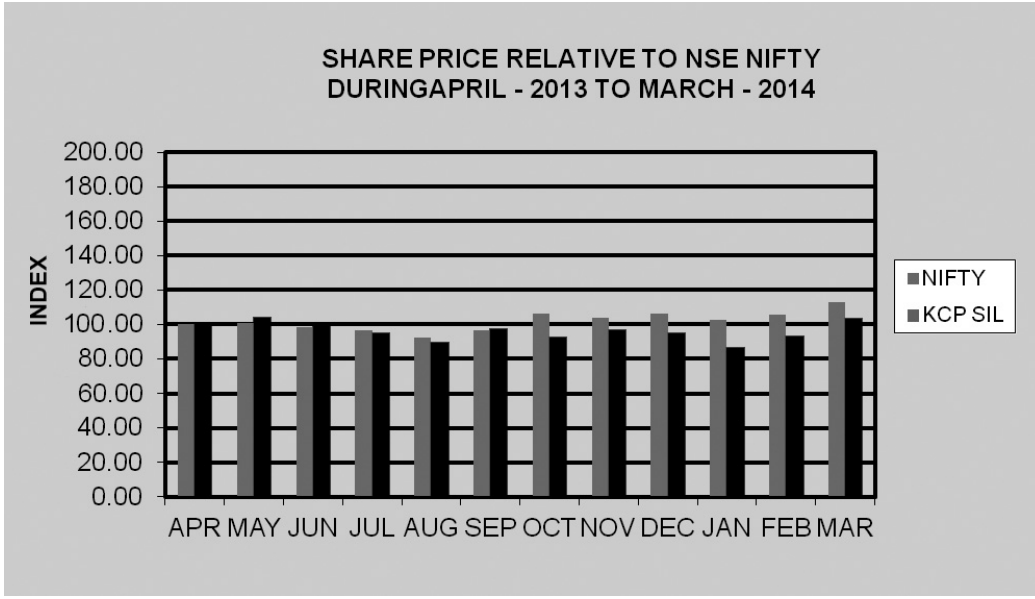
  Shareholders who hold shares in physical mode are requested to convert their holding to demat mode considering the merits of depository system.
- **PAN requirement** : SEBI vide its circular dt. 27.04.2007 made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the transaction amount. Further, SEBI vide its circular dt. 20.05.2009 made it mandatory to furnish a copy of the PAN card of the Transferee to the Company / RTA for registration of transfer of shares of the Listed Companies in physical form and off market / private transactions. Furnishing a copy of PAN card for transmission / transposition of shares has been made mandatory by SEBI vide its circular dt. 27.01.2010.

  Investors are requested to take note of the aforesaid circulars.

- **Stock Code - Physical** : **"KCPSUGIND "** on both the National Stock Exchange and Bombay Stock Exchange (Scrip No. 533192)
- **De-mat ISIN Number** : **INE790B01024.**
- **CIN** : **L15421TN1995PLC033198**
- High / Low of market price of the Company's shares (Face Value Re.1/-) traded on the National Stock Exchange and Bombay Stock Exchange, during the financial year 2013 – 14 is furnished below:

(Rs. per share)

Period	High		Low		Period	High		Low	
	NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
April '13	21.80	21.80	17.30	15.25	**October '13**	18.10	18.45	15.95	16.05
May '13	19.50	19.75	17.30	17.25	**November '13**	18.30	18.90	16.05	16.00
June '13	18.85	18.85	16.55	16.60	**December '13**	17.80	18.00	16.15	16.00
July '13	18.05	18.85	16.30	16.35	**January '14**	17.20	18.50	14.90	14.15
August '13	19.00	19.00	15.15	15.00	**February '14**	16.70	16.95	14.45	13.82
Sept '13	18.65	18.35	15.35	15.50	**March '4**	18.95	18.90	16.00	15.95



- **Registrar / Transfer Agents / Depository Registrars** : Integrated Enterprises (India) Ltd
  Kences Towers, 2nd Floor,
  1, Ramakrishna Road, North Usman Road, T.Nagar, Chennai 600017.
  Tel : 28140801 to 03 : Fax : 28142479

Share Transfer System : The shares of the Company are included in the list of shares under the compulsory dematerialization and are transferable through the depository system. All documents received for physical transfer of shares are processed by the Registrar and Transfer Agents and are approved by the Stakeholders' Relationship Committee which normally meets twice / once in a month depending on the volume of transfers. Share transfers are registered and returned within a maximum of 30 days from the date of lodgment, if documents are complete in all respects.

- **Distribution of Shareholding and shareholding pattern as on 31.03.2014**:

a. By number of Shares held:

No of shares held	No. of Shareholders	% of Shareholders	Aggregate shares held	% of Shareholding
Upto 5000	23,528	94.38	1,41,83,684	12.50
5001 – 10000	658	2.64	47,85,922	4.22
10001 – 20000	325	1.31	46,13,275	4.07
20001 – 30000	135	0.54	33,07,292	2.92
30001 – 40000	83	0.33	29,13,301	2.57
40001 – 50000	46	0.19	21,15,762	1.87
50001 – 100000	68	0.27	47,49,481	4.19
100001 and above.	85	0.34	7,67,16,333	67.66
TOTAL	**24,928**	**100.00**	**11,33,85,050**	**100.00**

b. By ownership:

Name of the Company: K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED.							**Shares pledged or otherwise encumbered**		
Scrip Code: KCPSUGIND				**Quarter ended: 31.03.2014**					
(I) Category Code	**(II) Category of Share holder**	**(III) No. of Share holders**	**(IV) Total No. of Shares [*Face Value: Re.1/- per Share*]**	**(V) No. of Shares held in Dematerialised Form**	**Total No. of shareholding as a percentage of Total No. of Shares**				
					(VI) As a % of (A+B)	(VII) As a % of (A+B+C)	(VIII) Number	(IX) As a % (IX)=(VIII)/(IV)*100	(X) (X)=(VIII) / (IV) A + B + C *100
A	**Shareholding of Promoter and Promoter Group:**								
1	**INDIAN**								
a.	Individual / Hindu Undivided Family	3	1838300	1838300	1.621	1.621	**Nil**	**Nil**	**Nil**
b.	Central Government / State Govt.	0	0	0	0	0	**Nil**	**Nil**	**Nil**
c.	Bodies Corporate	1	43585656	43585656	38.440	38.440	**Nil**	**Nil**	**Nil**
d.	Financial Institutions / Banks	0	0	0	0	0	**Nil**	**Nil**	**Nil**
e.	Any other (specify)	0	0	0	0	0	**Nil**	**Nil**	**Nil**
	SUB TOTAL A (1)	**4**	**45423956**	**45423956**	**40.062**	**40.062**	**Nil**	**Nil**	**Nil**
2	**FOREIGN**								
a.	Individual (Non-Resident / Foreign)	0	0	0	0	0			
b.	Bodies Corporate	0	0	0	0	0			
c.	Institutions	0	0	0	0	0			
d.	Qualified Foreign Investor	0	0	0	0	0			
e.	Any other (Specify)	0	0	0	0	0			
	SUB-TOTAL A (2)	**0**	**0**	**0**	**0**	**0**			
	Total shareholding of Promoter and Promoter Group (A) = A(1)+A(2)	**4**	**45423956**	**45423956**	**40.062**	**40.062**			

(I) Category Code	(II) Category of Share holder	(III) No. of Share holders	(IV) Total No. of Shares [*Face Value: Re.1/- per Share*]	(V) No. of Shares held in Dematerialised Form	Total No. of shareholding as a percentage of Total No. of Shares	
					(VI) As a % of (A+B)	(VII) As a % of (A+B+C)
B	**PUBLIC SHAREHOLDING**					
1	**Institutions**					
a.	Mutual Funds / UTI	6	11220	4750	0.010	0.010
b.	Financial Instituions / Banks	10	22590	1250	0.020	0.020
c.	Central Government / State Govt.	0	0	0	0.000	0.000
d.	Venture Capital Funds	0	0	0	0.000	0.000
e.	Insurance Companies	1	30000	30000	0.026	0.026
f.	Foreign Institutional Investors	1	500	0	0.000	0.000
g.	Foreign Venture Capital Investors	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0
i.	Any Other (specify)	0	0	0	0	0
	SUB TOTAL B (1)	**18**	**64310**	**36000**	**0.057**	**0.057**
2	**Non-Institutions**					
a.	Bodies Corporate (Indian / Foreign / Overseas)	385	16600294	6634894	14.641	14.641
b.	Individuals (Resident / NRI / Foreign National)					
(i).	Individual shareholders holding Nominal Share Capital upto Rs.1 lakh	24360	34784670	28055492	30.678	30.678
(ii).	Individual shareholders holding Nominal Share Capital above Rs.1 lakh.	69	16348003	14303163	14.418	14.418
c.	Qualified Foreign Investor	0	0	0	0.000	0.000
d.	Any other					
(i).	Clearing Member	89	134972	134972	0.119	0.119
(ii).	Limited Liability Partnership	1	75	75	0.000	0.000
(iii).	Trust	2	28770	28770	0.025	0.025
	SUB TOTAL B (2)	**24906**	**67896784**	**49157366**	**59.882**	**59.882**
	Total Public shareholding (B) = B(1)+B(2)	**24924**	**67961094**	**49193366**	**59.938**	**59.938**
	TOTAL (A) + (B)	**24928**	**113385050**	**94617322**	**100.000**	**100.000**
C.	**Shares held by Custodians and against which Depository Receipts have been issued:**	**NOT APPLICABLE**				
	GRAND TOTAL (A) + (B) +(C)	**24928**	**113385050**	**94617322**	**100.000**	**100.000**

I (b) Statement Showing Shareholding of Persons belonging to the Category PROMOTER AND PROMOTER GROUP Quarter ended 31.03.2014

No. (I)	Name of the Shareholder (II)	No. of Shares (III)	Shares as percentage of Total No. of Shares (i.e. Grand Total (A)+(B)+(C) indicated in statement at para I(a) above)n (IV)	Shares pledged or otherwise encumbered		
				Number (V)	As a % (VI)=(V)/ (III)*100	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)(VII)
1	Smt Irmgard Velagapudi	1435780	1.266	**Nil**	**Nil**	**Nil**
2	Durgamba Investment Private limited	43585656	38.440	**Nil**	**Nil**	**Nil**
3	Smt Kiran Velagapudi	255020	0.225	**Nil**	**Nil**	**Nil**
4	Smt Irmgard Velagapudi	147500	0.130	**Nil**	**Nil**	**Nil**
	TOTAL	**45423956**	**40.062**	**Nil**	**Nil**	**Nil**

I (c) Statement showing Shareholding of Persons belonging to the Category PUBLIC HOLDING MORE THAN 1% of the Total Number of Shares

No.	Name of the Shareholder	No. of Shares	Shares as percentage of Total No. of Shares (i.e. Grand Total (A)+(B)+(C) indicated in statement at para I(a) above)			
1	V.R.K.Grandsons Investment Pvt.Ltd.	9578330	8.448			
2	Famous Developers Private Limited	1555000	1.371			
	Total	**11133330**	**9.819**			

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

1	V.R.K.Grandsons Investment Pvt.Ltd.	9578330	8.448			
	Total	**9578330**	8.448			

I (d) Statement showing details of locked-in shares Quarter Ended 31.03.2014

Sl. No.	Name of the Shareholder	No. of locked-in shares	Shares as percentage of Total No. of Shares (i.e. Grand Total (A)+(B)+(C) indicated in statement at para I(a) above)			
	NOT APPLICABLE					

(II) (a) Statement showing details of Depository Receipts (DRs)

Sl No	Type of outstanding DR (ADRs,GDRs) AND SDRs etc)	No of outstanding DRs	No.of shares underlying outstanding DRs	Shares underlying outstanding DRs as percentage of total No.of shares (ie.Grand Total (A+B+C) indicated in statement at para 1 (a) above
	Nil	**Nil**	**Nil**	**Nil**
	Total	**Nil**	**Nil**	**Nil**

(II) (b) Statement showing details of Depository Receipts (DRs) where underlying shares in excess of 1% of the total no of shares

Sl No	Name of DR holder	Type of outstanding DR (ADRs,GDRs) AND SDRs etc)	No.of shares underlying outstanding DRs	Shares underlying outstanding DRs as percentage of total No.of shares (ie.Grand Total (A+B+C) indicated in statement at para 1 (a) above)
	Nil	**Nil**	**Nil**	**Nil**
	Total	**Nil**	**Nil**	**Nil**
	Partly paid-up Shares	**No of partly paid-up shares**	**As a % of total No.of paid-up shares**	**As a % of total No.of shares of the Company**

	Held by Promoter / Promoter group	N.A	N.A	N.A
	Held by Public	N.A	N.A	N.A
	Total	**N.A**	**N.A**	**N.A**
	Outstanding Covertibale Securities	**No of outstanding convertible securities**	**As a % of total No.of outstanding convertiable securities**	**As a % of total No.of shares of the Company, assuming full conversion of the convertible securities**
	Held by Promoter / Promoter group	N.A	N.A	N.A
	Held by Public	N.A	N.A	N.A
	Total	**N.A**	**N.A**	**N.A**
	Warrants	**No of warrants**	**As a % total No.of warrants**	**As a % of total No.of shares of the Company, assuming full conversion of warrants**
	Held by Promoter / Promoter group	N.A	N.A	N.A
	Held by Public	N.A	N.A	N.A
	Total	**N.A**	**N.A**	**N.A**
	Total paid-up capital of the Company, assuming full conversion of warrants and convertible securities	**N.A**	**N.A**	**N.A**

- **Shares in Physical and Electronic form:**

Shareholders in	No.of Shareholders	(%)	No.of Shares	%
Physical Mode	4,083	16.38	1,87,67,728	16.55
- Sub-Total	**4,083**	**16.38**	**1,87,67,728**	**16.55**
Electronic Mode:				
- NSDL	15,078	60.49	8,32,05,594	73.38
- CDSL	5,767	23.13	1,14,11,728	10.07
- Sub-Total	**20,845**	**83.62**	**9,46,17,322**	**83.45**
GRAND TOTAL	**24,928**	**100.00**	**11,33,85,050**	**100.00**

- **The Company has not so far issued any GDRs/ADRs/Warrants or any other convertible instruments.**
- **Top ten individual shareholders of the Company other than Promoter category as on 31.03.2014:**

Sl. No	Name of the Shareholder	Shares	% to Capital
1	PADMINI RAJAN	8,88,000	0.78
2	HAROON MAHMUD ADAM	8,85,000	0.78
3	SAKUNTHALA DEVI BOPPANA	8,70,100	0.77
4	BOPPANA VINAY KUMAR	8,55,250	0.75
5	KOGANTY SRIHARI RAO	5,41,113	0.48
6	RANI S B	5,09,060	0.45
7	DIWAN BAHADUR P.S.G. RANGASWAMY NAIDU	4,68,270	0.41
8	V.L. INDIRA DUTT	3,25,000	0.29
9	KAKARLA SATYANARAYANA	3,14,011	0.28
10	MALINI L. NARASIMHAN	3,10,120	0.27
	Total	**59.65.924**	**5.26**

- **Unclaimed Shares**

  In accordance with clause 5A(II) of the Listing Agreement and SEBI Circular No. CIR/CFD/10.2010 dt. 16.12.2010, the Company has identified 209 folios comprising of 2,46,290 equity shares of face value of Re.1/- each, which were unclaimed as on 31.03.2013. The Company had sent three reminders in accordance with the said clause in the financial year in the financial year 2011-12, and sent two more reminders to the shareholders concerned in the current financial year 2012-13. On 12.03.2013, unclaimed shares were dematerialized and credited to the special account opened with a title "Unclaimed Securities Suspense Account".

  4 Claims for remat for 10,330 shares were received during the financial year 2013-14 and remat requests were processed and the aggregate unclaimed No. of folios were 205 and unclaimed No. of shares as on 31.03.2014 were 2,35,960. The voting rights in respect of these unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

The status as on 31.03.2014 is as under:

Particulars of Unclaimed shares	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01-04-2013 shares in the suspense account lying as on 01-04-2013	**209**	**2,46,290**
Number of shareholders who approached the company for transfer of shares from suspense account during the period	**4**	**10,330**
Number of shareholders to whom the shares were transferred from the suspense account during the period	**4**	**10,330**
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31-03-2014	**205**	**2,35,960**

- **Plant Locations** — The Company has got Sugar, Distillery, Ethanol, Biotech, Incidental Cogeneration, CO2, Calcium Lactate units at Vuyyuru; Sugar and Incidental Cogeneration units at Lakshmipuram, both in Krishna District and all of them in Andhra Pradesh.
- **Address for Correspondence** — Shareholders correspondence should be addressed to Registrar and Share Transfer Agents at the address mentioned above. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. Shareholders may also contact Shri.S.Chidambaram, General Manager (Finance) & Company Secretary at the Registered Office of the Company for any assistance.

  Tel.Nos. 28555171 – 76 Extn: 117

  E-mail id: kcpsugar@vsnl.com. An exclusive e-mail ID investorservices@kcpsugar.com has been created for registering investors complaints.

For and on behalf of the Board of Directors

Place : Chennai
Date : 26.05.2014

VINOD R. SETHI
EXECUTIVE CHAIRMAN

DECLARATION

As provided under clause 49 of the Listing Agreement with Stock Exchanges, this is to confirm that the Members of the Directors as well as the Employees in the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31.03.2014.

For K.C.P.Sugar and Industries Corporation Limited

Place : Chennai
Date : 26.05.2014

IRMGARD VELAGAPUDI M. RAO
MANAGING DIRECTOR

Request to Shareholders

Section 88(1)(a) of the Companies Act, 2013, read with rule 3(1) of the Companies (Management & Administration) Rules, 2014 requires the Company to keep the Register of Members in Form No.MGT-1. As compared to the existing Register of members under the old Act, the new Law calls for certain additional information to be recorded. In order that the company is facilitated to comply with the same, shareholders are requested to send the following information to our Registrars and Transfer Agents, Integrated Enterprises (India) Ltd, Kences Towers, 2nd Floor, 1,Ramakrishna Road, North Usman Road, T.Nagar, Chennai 600017, for updating their records in the Register of Members:

i. Name of the Member
ii. Folio / DP ID – Client ID
iii. Email address
iv. Permanent Account Number (PAN)
v. CIN (in the case of Company)
vi. Unique Identification Number
vii. Father's / Mother's / Spouse's name
viii. Occupation
ix. Status
x. Nationality
xi. In case of minor, name of guardian and date of birth of minor
xii. Instructions, if any, for sending Notice,etc.

In the case of existing companies, these additional particulars shall be complied with on or before 30th September 2014. We hence solicit your early cooperation responding to the above.

COMPLIANCE CERTIFICATE

To

THE MEMBERS OF

K.C.P.SUGAR AND INSUTRIES CORPORATION LTD,

CHENNAI.

We have examined the compliance of the conditions of Corporate Governance by K.C.P. Sugar and Industries Corporation Ltd, for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing agreement of the company entered in to with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, during the aforesaid year, complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that, as at 31st March, 2014, no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company and produced for our verification.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B. Purushottam & Co
Chartered Accountants
FRN 002808S

Place : Chennai.
Date : 26-05-2014

K.V.N.S Kishore
Partner
(M. No. 206734)

To the Members of

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED("the Company"), which comprise the Balance Sheet as atMarch 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act")(which continue to be applicable in respect of Section 133 of companies Act,2013 in terms of General Circular 15/2013 dated September 13,2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India.. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control . An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by themanagement, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and RegulatoryRequirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("theOrder") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of companies Act,2013 in terms of General Circular 15/2013 dated September 13,2013 of the Ministry of Corporate Affairs)

e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

(Referred to in paragraph 1 of under 'Report on Other Legal and Regulatory Requirements 'section of our report of even date)

i) a) The Company has maintained proper records showing full particularsincluding quantitative details and situation of fixed assets.

b) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Material discrepancy noticed between book balance and physical assets of fixed assets have been properly dealt with in the books of accounts.

c) During the year, the Company has not disposed off any substantial part of Fixed Assets.

ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the companies act,1956.Accordingly, clausesiii(b),iii(c),iii(d) of Para 4 of the Order, are not applicable.

The Company has not taken any loans, from companies, firms or other parties, covered in the register maintained u/s 301 of the companies Act,1956,except an amount of Rs.3 Crores(Rupees Three crores only) from a Director of the company in accordance with the companies (Acceptance of Deposits)Rules 1975.

In our opinion, the rate of interest and other terms and conditions on which loans (deposits)have been taken by the company from the parties covered in the register maintained under section 301 of the companies act, 1956 are not, prima facie, prejudicial to the interest of the company.

In respect of loans taken, repayment of the principal amount is as stipulated and payments of interest have been regular.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets , for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA and other applicable provisions of the Companies Act,1956 and Companies (Acceptance of Deposits) Rules,1975 with regard to the deposits accepted from the public. According to the information furnished to us, the Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal has passed no order on the company.

vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii) We have broadly reviewed the books of account and records maintained by the company at its Sugar, Distillery, Biotech and Power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209(1)(d) of the Companies Act,1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise Duty, cess and other material statutory dues applicable to it except the following:

Name of the Statute	Nature of the Dues	Amount in Rs.	Period to which the Amount relates	Due Date	Date of Payment
Andhra Pradesh AgriLands Assessment Act	Non Agri Land Assessment Tax	8, 01,891	FY 1993-94 to 1999-2000, and 2005-06.	On 30th September of each year, on receipt of demand.	Not paid at the date of our report.

b) According to the information and explanation given to us no undisputed amounts payable in respect of Income tax, Sales tax, wealth tax, Service tax, Customs Duty and Excise Duty and Cess were in arrears, as at 31-03-2014 for a period of more than six months from the date they became payable.

c) According to the information given to us, there no dues of Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty and Cess which have not been deposited on account of any dispute.

x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xi) Based on our audit procedures and on the basis of information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.

xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

xiii) In our opinion, the company is not a Chit Fund or a Nidhi /Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

xiv) The nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.

xvi) According to the information and explanations given to us the company did not avail of any term loans during the year under report.

xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.

xix) The Company has not issued any debentures during the year under report.

xx) The Company has not raised any money by way public issue during the year and hence the question of disclosure and verification of end use of such moneys does not arise during the year.

xxi) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For B. Purushottam & Co
Chartered Accountants
FRN 002808S

Place : Chennai.
Date : 26-05-2014

K.V.N.S Kishore
Partner
(M. No. 206734)

CIN: L15421TN1995PLC033198

BALANCE SHEET AS AT 31ST MARCH, 2014

AMT IN RS.

	Particulars	Note No.	As at end of current reporting period 31.03.2014		As at end of previous reporting period 31.03.2013	
I	**EQUITY AND LIABILITIES**					
	1. Shareholders' Funds					
	(a) Share Capital	2	**113385050**		113385050	
	(b) Reserves & Surplus	3	**2242796416**		2078908539	
				2356181466		2192293589
	2. Non - current liabilities					
	(a) Long term borrowings	4	**479876000**		181119000	
	(b) Deferred tax liabilities (Net)	5	**169676439**		201192561	
	(c) Other long term liabilities	6	**6562944**		5734660	
	(d) Long term provisions	7	**40273832**		35673893	
				696389215		423720114
	3. Current Liabilities					
	(a) Short term borrowings	8	**392278404**		302555464	
	(b) Trade payables	9	**980590394**		834850586	
	(c) Other current liabilities	10	**238988341**		248588906	
	(d) Short term provisions	11	**147789325**		176007891	
				1759646464		1562002847
	TOTAL			**4812217145**		4178016550
II	**ASSETS**					
	1. Non - current assets					
	(a) Fixed Assets					
	(i) Tangible assets	12	**1051439552**		1152080752	
	(ii) Capital work in progress	13	**67394155**		6680097	
	(iii) Intangible assets under development		**13045962**		12633462	
			1131879669		1171394311	
	(b) Non - current investments	14	**343583442**		338186470	
	(c) Long term loans and advances	15	**5794453**		5979727	
	2. Current Assets			**1481257564**		1515560508
	(a) Inventories	16	**2807429705**		2170520579	
	(b) Trade receivables	17	**206712499**		215722609	
	(c) Cash and Bank balances	18	**108702451**		76006691	
	(d) Short term loans and advances	19	**208114926**		200206163	
				3330959581		2662456042
	TOTAL			**4812217145**		4178016550

The note nos. 1 to 44 attached form an integral part of Financial Statements

In accordance with our Report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO
Managing Director

K.V.N.S. KISHORE
Partner
M.No. 206734

V. KIRAN RAO
Executive Director

Chennai
26.05.2014

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) & Company Secretary

K.A.RANGASWAMY
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

AMT IN RS.

	Particulars	Note No.	For the current reporting period 2013-14		For the previous reporting period 2012-13	
I	Revenue from Operations	20		**4432956894**		5055692145
	Less: Inter Divisional Transfers			**930390358**		761583974
				3502566536		4294108171
	Less: Excise duty			**108636497**		126339272
				3393930039		4167768899
II	Other Income	21		**69089398**		51985189
III	**Total revenue (I + II)**			**3463019437**		4219754088
IV	Expenses					
	Cost of materials consumed	22	**3099734901**		2787331431	
	Less: Inter Divisional Transfers		**163232023**		86822757	
			2936502878		2700508674	
	Changes in inventories of finished goods, work in progress and stock in trade	23	**(643981741)**		125943081	
				2292521137		2826451755
	Employee benefits expense	24		**400386354**		377933954
	Finance costs	25		**45547308**		56758170
	Depreciation	12		**110940205**		108740123
	Other expenses	26		**280845881**		293838383
	Total Expenses			**3130240885**		3663722385
V	Profit before tax (III-IV)			**332778552**		556031703
VI	Tax expense:					
	(1) Current tax		**87500000**		165000000	
	(2) Deferred tax		**(31516122)**		3161430	
	(3) Provision for taxation relating to earlier years		**150183**		257192	
				56134061		168418622
VII	Profit for the year			**276644491**		387613081
VIII	Earning per equity share:					
	Basic & Diluted			**2.44**		3.42

The note nos. 1 to 44 attached form an integral part of Financial Statements

In accordance with our Report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO
Managing Director

K.V.N.S. KISHORE
Partner
M.No. 206734

V. KIRAN RAO
Executive Director

Chennai
26.05.2014

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) & Company Secretary

K.A.RANGASWAMY
Director

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. GENERAL

The Financial Statements have been prepared on the basis of going concern, under the historic cost convention, to comply in all the material aspects with applicable accounting principles in India, the According Standards notified under section 211 (3C) (which continues to be applicable in terms of general circular 15 /2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and the relevant provisions of the said Act.

b. FIXED ASSETS

i. Fixed assets are stated at the values at which they are acquired, less accumulated depreciation. The value at which fixed assets are acquired includes all related expenses upto the date of putting them to use.

ii. Intangibles will be amortized over a period of five years.

iii. Cenvat Credit availed on acquisition of Fixed Assets is reduced from the cost of the concerned assets.

c. DEPRECIATION

Depreciation is provided under straight line method except in respect of assets appearing in the books of the Registered Office of the Company, which are depreciated under written down value method, in accordance with the rates and rules prescribed under Schedule XIV to the Companies Act, 1956. Assets costing less than Rs.5000/- are depreciated within the year of acquisition.

d. INVESTMENTS

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments are stated at the lower of cost or market value.

e. INVENTORIES

i) Finished goods are valued as follows and increased by Excise Duty thereon as applicable.

- All finished goods are valued at lower of weighted average cost or net realisable value.
- Molasses, a by product is valued at estimated net realisable value.

ii) Stock of Scrap is not valued and therefore not recognised in the accounts. Sale of Scrap, as and when made, is accounted for.

iii) Crops under cultivation are valued at cost.

iv) Work in progress is valued at lower of weighted average cost or net realisable value of the finished goods duly adjusted according to the percentage of progress.

v) Raw materials, stores, spares, materials in transit are valued at weighted average cost. However, when the net realisable value of the finished goods they are used in is less than the cost of the finished goods and if the replacement cost of such materials etc. is less than their holding cost in such an event, they are valued at replacement cost.

f. SALES AND OTHER EARNINGS

i) Sales are inclusive of excise duty, freight, insurance etc. recovered thereon.

ii) Power generated in Power Plant Units and supplied to the other units of the Company is accounted for at the rate at which the Company purchases power from APSEB.

g. FOREIGN EXCHANGE TRANSACTIONS

i) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/ payment during the year.

ii) At each Balance Sheet date

- foreign currency monetary items are reported using the rate of exchange on that date
- foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized

iii) In respect of forward exchange contracts in the nature of hedges

- Premium or discount on the contract is amortised over the term of the contract,
- Exchange differences on the contract are recognized as profit or loss in the period in which they arise

h. RESEARCH AND DEVELOPMENT EXPENDITURE

In respect of approved Research and Development programmes, expenditure of capital nature is included in the Fixed Assets and the other expenditure is charged off to revenue, in the year in which such expenditure is incurred.

i. EMPLOYEE BENEFITS

(i) Long-term Employee Benefits

(a) Defined Contribution Plans

The Company has Defined Contribution Plans for post employment benefits for employees in the form of Superannuation Fund which is recognised by the Income Tax authorities and administered through Trustees and Life Insurance Corporation of India (LIC) and Provident Fund for all employees. These plans constitute insured benefits, as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the Profit and Loss Account as incurred

(b) Defined Benefit Plans

(i) **Gratuity** - The Company has Defined Benefit Plan for post employment benefit for all employees in the form of Gratuity. For certain employees the post employment benefits in the form of Gratuity is funded with Life Insurance Corporation of India, which is recognised by the Income Tax authorities and administered through Trustees. Liability for Defined Benefit Plan is provided on the basis of valuation carried out by LIC of India with regard to the employees for whom the same is funded with LIC. In the case of other employees, the same is provided on the basis of the valuation carried out by an independent actuary as at the Balance Sheet date. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method.

(ii) **Leave Encashment** – Entitlement to annual leave and sick leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves at each Balance Sheet date and the same is charged to revenue accordingly.

j. TAXATION

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.

Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

k. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing cost are charged to revenue.

l. IMPAIRMENT OF ASSETS

At the date of each Balance Sheet, the company evaluates internally, indications of the impairment if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recognized.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

m. PROVISIONS,CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Amt. in Rs.

Particulars	Number	As at end of current reporting period 31-03-2014	Number	As at end of previous reporting period 31-03-2013
2 . SHARE CAPITAL				
Authorised :	**250000000**	**250000000**	250000000	250000000
Equity shares of Re.1 /- each		**250000000**		250000000
Issued, Subscribed and Paid-up:				
Equity shares of Re.1 /- each	**113385050**	**113385050**	113385050	113385050
		113385050		113385050
Reconciliation of No. of. Shares				
At the beginning of the reporting period	**113385050**	**113385050**	113385050	113385050
Changes during the year	**-**	**-**	-	-
At the closing of the reporting period	**113385050**	**113385050**	113385050	113385050
Rights, Preferences and restrictions attached to shares				

The company has one class of equity shares having a par value of Re.1/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding, however no such preferential amounts exist currently.

Particulars of equity share holders holding more than 5% of the total number of equity share capital:

a. Durgamba Investments Private Limited	**43585656**			43014076
	38.44%			37.94 %
b. V.R.K. Grandsons Investments Pvt Ltd.	**9578330**			9578330
	8.45 %			8.45 %

3 . RESERVES & SURPLUS

Particulars	Capital redemption reserve	Investment allowance reserve utilised	General reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	15545110	4505000	1130000000	928858429	**2078908539**
Transferred from/to Profit & Loss Account			30000000	276644491	**306644491**
Transferred to General Reserve				30000000	**30000000**
Proposed Dividends				96377293	**96377293**
Provision towards dividend distribution tax				16379321	**16379321**
At the close of the reporting period	15545110	4505000	1160000000	1062746306	**2242796416**
At the close of the previous reporting period	15545110	4505000	1130000000	928858429	**2078908539**

Amt in Rs.

Particulars	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
4. Long term Borrowings		
Secured Loans:		
Term Loan from Bank	**215100000**	-
(Secured by exclusive first charge on the entire movable fixed assets of the company, present and future and further secured by a second charge on the entire current assets of the company present and future. The loan duration is five years including two years of moratorium)		
Unsecured		
Fixed Deposits	**264776000**	**181119000**
	479876000	**181119000**
5. Deferred tax liabilities (Net)		
(a) Deferred tax liability:		
On account of depreciation on fixed assets	**200294868**	219027816
(b) Deferred tax asset:		
On account of timing differences in recognition of expenditure	**30618429**	17835255
Net Deferred tax liability	**169676439**	201192561
6. Other Long term liabilities		
Interest accrued but not due on fixed deposits	**6562944**	5734660
7. Long term Provisions		
Interest accrued but not due on fixed deposits	**40273832**	35673893
8 . Short term Borrowings		
Secured Loans:		
a) Loans repayable on demand		
- from banks	**301146404**	103200464
Secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares, book debts, all other currents assets and further secured by a third charge created on movable fixed assets of Sugar units at Vuyyuru and Lakshmipuram.		
Unsecured Loans:		
b) Fixed Deposits maturing within one year.	**91132000**	199355000
	392278404	302555464
9. Trade Payables		
a) To Micro, Small and Medium Enterprises	**-**	-
b) Trade payables to Suppliers and service providers	**980590394**	834850586
	980590394	834850586

Note: The company has not received any intimation from suppliers regarding their status under the Micro,Small and Medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the Act have not been given.

Amt in Rs.

Particulars	**As at end of current reporting period 31-03-2014**	As at end of previous reporting period 31-03-2013
10. Other current liabilities:		
a) Interest accrued but not due on borrowings	**25659417**	29061176
b) Advances received from customers	**5290152**	24030449
c) Unpaid dividends	**12295554**	11162939
d) Unpaid matured deposits and interest accrued thereon	**7696340**	6107887
e) Statutory Liabilities	**103603284**	91936752
f) Outstanding Liabilities for Expenses	**79269337**	84175060
g) Earnest Money and Other Deposits	**5174257**	2114643
	238988341	248588906
11. Short term provisions:		
a) Provision for employee benefits	**11986960**	775571
b) Provision for Dividend	**96377293**	113385050
c) Provision for tax on distributed profits	**16379321**	19269789
d) Provision for Income Tax (Net of Advance Tax)	**23045751**	42577481
	147789325	176007891
13. Capital work in progtress:		
a) Plant and Machinery	**48201395**	-
b) Building under Construction	**19192760**	6680097
	67394155	6680097

NOTES TO FINANCIAL STATEMENTS (CONTD.)

12. FIXED ASSETS

Amt in Rs.

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	Cost upto 31.03.2013	Additions during the Year	Deductions during the Year	Cost upto 31.03.2014	Upto 31.03.2013	For the Year	On Deductions	upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Lands	85229260			85229260	-	-	-	-	85229260	85229260
Buildings										
Own Buildings	304271905			304271905	66324664	7266151		73590815	230681090	237947241
Leasehold Buildings	112189			112189	112189			112189	-	-
Plant & Machinery	1774233261	7317173	5590949	1775959485	1009192306	92017129	5185992	1096023443	679936042	765040955
Tramways & Railways Sidings	23097214	-	-	23097214	12486548	1166502	-	13653050	9444164	10610666
Furniture and Fixtures	8515179	128244	2918	8640505	5005607	339772	2468	5342911	3297594	3509572
Vehicles	73034589	1613131	8500	74639220	39606046	6908717	8303	46506460	28132760	33428543
Computers, Office Equipments	71260954	1662563	3236035	69687482	54946439	3241934	3219533	54968840	14718642	16314515
TOTAL	**2339754551**	**10721111**	**8838402**	**2341637260**	**1187673799**	**110940205**	**8416296**	**1290197708**	**1051439552**	**1152080752**
PREVIOUS YEAR	2319691822	66469491	46406762	2339754551	1115088268	108740123	36154592	1187673799	1152080752	1204603554

Note 1) Titles in Land and other Immovable Properties acquired from The K.C.P. Limited pursuant to the Scheme of Arrangement, are in the process of endorsement in the name of the Company.

2) Land measuring 6.55 acres acquired at a cost of Rs.12,95,880/- is pending formal transfer of title in the name of the Company.

14. Non Current Investments **Amt in Rs.**

Sl. No.	Name of the Company	Opening Balance as on 01.04.2013		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2014	
		No of Shares	Value	No of Shares	Value	No of Shares	Value	No of Shares	Value
	Long Term Investments - at cost								
i)	**Trade (unquoted)**								
	Equity Shares in Subsidiaries								
	The Eimco - K.C.P. Ltd.	600000	6000000					600000	6000000
	(Including 10 shares held by the nominees of the company)								
	KCP Sugars Agricultural Research Farms Limited	2250000	22500000					2250000	22500000
	(Including 6 shares held by the nominees of the company)								
ii)	**Others (Quoted)**								
	Investments in Equity Shares								
1	Krishna Industrial Corporation Ltd.	52501	500010					52501	500010
2	Jeypore Sugar Company Ltd.	16580	821936					16580	821936
3	Nava Bharat Ventures Ltd. (Face value of Rs.2/- each)	40	205					40	205
4	Bajaj Hindustan Ltd. (Face value of Re.1/- each)	1000	5601					1000	5601
5	Balrampur Chini Mills Ltd. (Face value of Re.1/- each)	1000	9146					1000	9146
6	Bannari Amman Sugars Ltd.	50	2547					50	2547
7	The Dhampur Sugar Mills Ltd.	100	6013					100	6013
8	Kothari Sugars And Chemicals Ltd.	5	50					5	50
9	Oswal Sugars Ltd.	100	404					100	404
10	Sakthi Sugars Ltd.	50	815					50	815
11	Thiru Arooran Sugars Ltd.	100	7326					100	7326
12	Simbhaoli Sugars Ltd.	100	1026					100	1026
14	Eid Parry (I) Ltd. (Face value of Re.1/- each)	1000	7486					1000	7486

14. Non Current Investments (Continued)

Amt in Rs.

Sl. No.	Name of the Company	Opening Balance as on 01.04.2013		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2014	
		No of Shares	Value	No of Shares	Value	No of Shares	Value	No of Shares	Value
15	Jubilant Life Science Ltd. (Face value of Re.1/- each)	1600	11268					1600	11268
16	Jubilant Industries Ltd (Face value of Re.1/- each)	80	-					80	-
17	The Andhra Sugars Ltd	100	2348					100	2348
18	Avon Organics Ltd	100	5580					100	5580
19	Citric India Ltd (Pending registration of transfer)	100	790					100	790
20	Indian Sucrose Ltd. (fomerly Lactose (I) Ltd.)	100	680					100	680
21	Coromandel International Ltd. (Face value of Re.1/- each)	330	-					330	-
22	Automotive Stampings and Assemblies Ltd.	2000	208814					2000	208814
23	Blue Star Ltd. (Face value of Rs.2/- each)	95268	33797537					95268	33797537
24	Gujarat Gas Company Ltd. (Face value of Rs.2/- each)	35897	12228450					35897	12228450
25	Indraprastha Gas Ltd.	183935	75122142	100	28686			184035	75150828
26	ISMT Ltd.	131500	5543806					131500	5543806
27	Yuken India Ltd.	19365	4806357	40668	5311505			60033	10117862
28	Container Corporation of India Ltd. (Includes1 : 2 Bonus shares received during the year.)	9478	11706404	4739	-			14217	11706404
29	Precision Wires India Ltd.	140374	16652453					140374	16652453
30	Savita Oil Technologies Ltd.	79762	41153657					79762	41153657
31	Axys Health	50000	3250000					50000	3250000
32	Vikas Wsp Ltd. (Face value of Re.1/- each)	1586721	101633619	2000	56781			1588721	101690400

14. Non Current Investments (Continued)

Amt in Rs.

Sl. No.	Name of the Company	Opening Balance as on 01.04.2013		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2014	
		No of Shares	Value	No of Shares	Value	No of Shares	Value	No of Shares	Value
iii)	**Debenture (Quoted)**								
33	Coromandel International Ltd	330	-	-	-	330	-	-	-
iv)	**Other non current investments**								
34	Agri Business Finance (AP) Ltd.	50000	500000					50000	500000
35	Sri Sarvaraya Sugars Ltd.	150000	1700000					150000	1700000
	TOTAL		338186470		5396972				343583442
NOTE:									
1	The Face value of the above Equity Shares is Rs.10/- each unless otherwise mentioned.								
2	Aggregate of Quoted Investments - At cost		307486470						312883442
	- At market value		201854701						197888619
3	Aggregate of Unquoted Investments at Cost		30700000						30700000
4	Figures in brackets denotes sale value of shares sold								
5	All investments are long term in nature and therefore dumunition in market value is considered as temporary and hence no provision is made.								

Amt. in Rs.

Particulars	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
15. Long term loans and advances:		
Unsecured considered good		
Security Deposits	**5794453**	5979727
16. Inventories:		
a) Raw materials	**475011**	70989
b) Work in progress	**41982812**	13909602
c) Finished goods	**2702597361**	2085642610
d) Stores and spares	**58844889**	66321526
e) Crops under cultivation	**3529632**	4575852
	2807429705	2170520579
Note : i) For mode of valuation refer Note No.1, para "e".		
17. Trade receivables:		
i) Trade receivables exceeding six months - Unsecured		
a) Considered good	**6029101**	1269082
b) Doubtful	**3590987**	6226863
ii) Others - Unsecured considered good	**200683398**	214453527
	210303486	221949472
Less: Provision for doubtful debts	**3590987**	6226863
	206712499	215722609
18. Cash and Bank balances :		
i) Cash and cash equivalents:		
a) Balances with Banks		
- in Current accounts	**57807593**	47998712
b) cash on hand	**1534070**	1140543
ii) Other balances with Bank		
a) - in unpaid dividend accounts and unclaimed interest warrants	**17829893**	11162939
b) - in margin money security for borrowings guarantees and other commitments	**31530895**	15704497
	108702451	76006691
19. Short term loans and advances:		
Unsecured considered good		
a) Advances to suppliers and service providers	**194382702**	190075989
b) Advances to employees	**1688721**	2353929
c) Advance taxes duties etc (Net)	**12043503**	7776245
	208114926	200206163

Particulars	For the current reporting period 2013 - 14	For the previous reporting period 2012 - 13
20. Revenue from operations:		
i) Sale of products		
Sugar	**2851366866**	3797005422
Molasses	**229600203**	116591728
Bagasse	**491372219**	399114952
Industrial Alcohol	**256518379**	230366806
Bio Fertilizer	**61729076**	52047625
Electrical Energy	**188050404**	162482905
Steam	**310674428**	270076777
Others	**43645319**	28005930
Total	**4432956894**	5055692145
Less: Inter Divisional Transfers	**930390358**	761583974
	3502566536	4294108171
Less: Excise duty	**108636497**	126339272
	3393930039	4167768899
21. Other Income:		
a) Interest income	**4608188**	4694960
b) Dividend Income		
- from long term investments	**6078901**	6650522
- from current investments	**30745283**	22106151
c) Rent Received	**5938976**	5761635
d) Miscellaneous Receipts	**14530415**	10958461
e) Profit on sale of fixed assets (Net)	**1238277**	-
f) Unclaimed Balance credited back	**-**	69751
g) Claims Received	**2369161**	1448578
h) Provision no longer required withdrawn	**3580197**	295131
	69089398	51985189
22. Cost of materials consumed:		
a) i) Consumption of raw materials	**2987459846**	2668348329
Less: Inter Divisional Transfers	**163232023**	86822757
	2824227823	2581525572
ii) Consumption of stores and spare parts	**112275055**	118983102
	2936502878	2700508674
b) Consumption of major raw materials		
Sugarcane	**2804308069**	2552346139

Particulars	For the current reporting period 2013 - 14	For the previous reporting period 2012 - 13
23. Changes in inventories of finished goods work in progress and stock in trade:		
Stocks at the end of the year		
i) Work in progress		
a) Sugar	**39819116**	9794775
b) Bio Fertilizer	**937140**	1106755
c) Calcium Lactate	**497901**	585000
d) Crops under cultivation	**4258287**	6998924
Total	**45512444**	18485454
ii) Finished goods		
a) Sugar	**2465036264**	1950711916
b) Molasses	**178992539**	99333676
c) Industrial Alcohol	**53692668**	28590269
d) Bio Fertilizer	**1682001**	1980650
e) Calcium Lactate	**3193889**	5026099
Total	**2702597361**	2085642610
Grand Total	**2748109805**	2104128064
Less:		
Stocks at the beginning of the year		
i) Work in progress		
a) Sugar	**9794775**	34269879
b) Molasses	**-**	1889211
c) Bio Fertilizer	**1106755**	55653
d) Calcium Lactate	**585000**	606656
e) Crops under cultivation	**6998924**	1085492
Total	**18485454**	37906891
ii) Finished goods		
a) Sugar	**1950711916**	2096342789
b) Molasses	**99333676**	73402194
c) Industrial Alcohol	**28590269**	12797956
d) Ethanol	**-**	11000
e) Bio Fertilizer	**1980650**	4927010
f) Calcium Lactate	**5026099**	4683305
Total	**2085642610**	2192164254
Grand Total	**2104128064**	2230071145
Changes in inventories	**(643981741)**	125943081
24. Employee Benefit Expenses:		
a) Salaries and wages	**291272838**	243767804
b) Contribution to provident and other funds	**50333425**	58824168
c) Remuneration to whole time directors	**33018829**	52925392
d) Staff welfare expenses	**25761262**	22416590
	400386354	377933954

Particulars	For the current reporting period 2013 - 14	For the previous reporting period 2012 - 13
25. Finance Costs:		
a) Interest expense	**38752720**	53390867
b) Other borrowing costs	**6794588**	3367303
	45547308	56758170
26. Other Expenses:		
a) Power and fuel	**786305800**	695010914
Less: Inter Divisional Transfers	**767158335**	674761217
	19147465	20249697
b) Rent	**146847**	148410
c) Repairs to buildings	**15884785**	7224654
d) Repairs to machinery	**118797398**	156569909
e) Repairs others	**8861267**	6123924
f) Insurance	**3382058**	2480274
g) Payment to the auditors		
- as auditor	**365170**	365170
- for other services	**213484**	213484
- for reimbursement of expenses	**71236**	-
h) Selling expenses	**23273004**	19666813
i) Loss on sale of fixed asset (net)	**-**	127390
j) Loss on sale of Investment (net)	**-**	12242722
k) Assets Written Off	**-**	6072415
l) Donations	**200000**	2000000
m) Legal and professional charges	**5487561**	4218844
n) Directors sitting fees	**1140000**	880000
o) Remuneration to non whole time directors - Commission	**836164**	700000
p) Miscellaneous expenses	**83039442**	54554677
	280845881	293838383

27. Contingent liabilities and Capital Commitments:

Contingent Liabilities:

Claims against the company not acknowledged as debts:

PARTICULARS	31.03.2014	31.03.2013
	Amount – Rs.	
Share transmission	1105851	1105851
Case on Duty relating to Captive Power Generation	26169375	26169375
TOTAL	**27275226**	**27275226**

Outstanding Guarantees furnished by banks on behalf of the company is Rs.1,38,99,438/- (Rs. 1,30,99,478/-)

28. Outstanding dues to Micro, Small and Medium Enterprises

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the Act have not been given.

29. Disclosure under Accounting standard 15 (AS 15):

Employee Benefits:

Defined benefit plans		Amt in Rs				
	Gratuity	**2013-14**	**2012-13**	**2011-12**	**2010-11**	**2009-10**
(I)	**Change in Benefit Obligation**					
	Liability at the beginning of the year	**108992000**	100909306	91135575	81597380	63383088
	Interest Cost	**8698550**	8030395	7249640	6479760	5058809
	Current Service Cost	**5293887**	4718940	4026285	4014320	4019201
	Benefits Paid	**6844128**	6626500	4833824	3569470	5905464
	Acturial (gain)/loss on obligations	**12409358**	1959860	3331629	2613585	15041746
	Liability at the end of the year	**128549667**	108992001	100909305	91135575	81597380
(II)	**Fair value of Plan Assets**					
	Fair value of plan assets at the beginning of the year	**96844207**	87867452	78505406	58319551	55186008
	Expected Return on Plan Assets	**8370698**	8008411	7109714	6123308	4916007
	Contributions	**6002199**	6515340	5852945	17516632	3309712
	Benefit Paid	**6844128**	6626500	3783479	3454085	5092176
	Fair Value of plan assets at the end of the year	**104372976**	**95764703**	**87684586**	**78505406**	**58319551**
(III)	**Actual Return on Plan Assets**					
	Expected Return on Plan Assets	**8370698**	8008411	7109714	6123308	4916007
	Actual Return on Plan Assets	**8370698**	8008411	7109714	6123308	4916007
(IV)	**Amount Recognised in the Blance Sheet**					
	Liability at the end of the year	**128549667**	108992001	100909305	91135575	81597380
	Fair value of Plan Assets at the end of the year	**104372978**	96844207	87684586	78505406	58319551
	Difference (Funded Status)	**24176689**	12147794	13224719	12630169	23277829
	Amount Recognised in the Balance Sheet	**24176689**	12147794	13224719	12630169	23277829
(V)	**Expenses Recognised in the Income Statement**					
	Current Service Cost	**5293887**	4718940	4026285	4014320	4019201
	Interest Cost	**8698550**	8030395	7249640	6479760	5058809
	Expected Return on Plan Assets	**-8370698**	8008411	7109714	6123308	4916007
	Net Acturial (Gain)/ loss to be recogised	**12409358**	1959860	3331629	2613585	15041746
	Expenses Recognised in P & L	**18031097**	6700784	7497840	6984357	19203749
(VI)	**Actuarial Assumptions : For the Year**					
	Discount Rate Current	**8.00%**	8.00%	8.00%	8.00%	8.00%
	Salary Escalation Current	**6.00%**	7.00%	7.00%	7.00%	7.00%
	Expected rate of return on plan assets	**9.30%**	9.30%	9.30%	9.30%	8%

Provident fund:

The Company manages Provident fund plan through a Provident Fund Trust for its employees, which is permitted under The Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer & employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The Guidance Note on implementing AS-15, Employee Benefits(revised 2005) issued by the Accounting Standard Board (ASB) states that provident fund set up by employers, which require interest shortfall to be met by the employer, need to be treated as defined benefit plan. Pending the issuance of the Guidance Note from the Acturial Society of India, the Company's actuary has expressed inability to reliably measure the Provident fund liability. However, there is no deficit in the fund in this regard.

30. Details of provisions made in the accounts are:

Description	At the beginning of the year	Addition	Used	At the end of the year
	Rs.	Rs.	Rs.	Rs.
Provision for leave encashment	23150299	11396543	6462739	28084103
Provision for gratuity	13299165	17087221	6209697	24176689
Provision for Income Tax	278000000	87500000	-	365500000
Proposed Dividend	113385050	96377293	113385050	96377293
Tax on Proposed Dividend	19269789	16379321	19269789	16379321
Total	**447104303**	**228740378**	**145327275**	**530517406**

31. Disclosure required by Clause 32 of the Listing Agreement:

Loans and Advances to Subsidiary Companies	Outstanding as at Rs.		Maximum amount outstanding during the year ended - Rs.	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
The Eimco-K.C.P.Ltd.	NIL	NIL	NIL	NIL
KCP Sugars Agricultural Research Farms Ltd.	NIL	NIL	782375	2209838

32. Sale of Products and Services (including Excise Duty)

PRODUCTS / SERVICES	Units	2013-2014		2012-2013	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	916521	2846488616	1189716	3793306712
Molasses	MTs	15270	81219217	12912	36954027
Bagasse	MTs	90522	151763632	77105	108898496
Industrial Alcohol	BLs	7996275	256518379	8998934	230366806
Bio Fertliser	Qtls	162765	61698121	148906	52047625
Electrical Energy	Kwh	12422300	71506260	13836300	48827119
Others	-		33372311		23707386
TOTAL			**3502566536**		**4294108171**

Note: Sale of Products does not include the following inter unit transfers:

PRODUCTS / SERVICES	Units	2013-2014		2012-2013	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	1740	4878250	1186	3698710
Molasses	MTs.	29682	148380986	39200	79637701
Bagasse	MTs.	214011	339608587	225280	290216456
Electrical energy	KWH	22021267	116544144	23678270	113655786
Steam	MTs.	380278	310674428	388570	270076777
Filter Cake	MTs.	46500	465001	41623	424567
Sugarcane - Agricultural Produce	MTs.	3362	9507786	1433	3061779
Bio Gas	M3	827941	331176	2643434	812198
TOTAL			**930390358**		**761583974**

33. Raw Materials Consumed

PARTICULARS	Units	2013-2014		2012-2013	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar - Sugarcane	MTs	1059851	2804308068	1045524	2552346139
Distillery - Molasses	MTs	29682	169511900	39200	105354769
Others			13639878		10647421
TOTAL			**2987459846**		**2668348329**
Less: Inter Divisional Transfers			163232023		86822757
Net Consumption			**2824227823**		**2581525572**

34. Opening Stock of Finished Goods

PARTICULARS	Units	As at 01.04.2013		As at 01.04.2012	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	690282	1950711916	836535	2096342789
Molasses	MTs	43027	99333676	42740	73402194
Industrial Alcohol	BLs	2057868	28552515	885649	12797956
Bio Fertiliser	Qtls	2250	1980650	2281	4927010
Others		-	5063853	-	4694305
Total			**2085642610**		**2192164254**

35. Closing Stock of Finished Goods

PARTICULARS	Units	As at 31.03.2014		As at 31.03.2013	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	827771	2465036264	690282	1950711916
Molasses	MTs	47908	178992539	43027	99333676
Industrial Alcohol	BLs	1869516	49510654	2057868	28552515
Bio Fertiliser	Qtls	1448	1682001	2250	1980650
Others			7375903		5063853
Total			**2702597361**		**2085642610**

36. Particulars regarding Capacity and Production

PARTICULARS	Capacity			Actual Production	
	Licenced	Installed		2013-2014	2012-2013
	(as certified by the management)				
			Units		
a. Sugar					
(i) Vuyyuru Unit	7500	7500	Qtls	781280	837881
	(Tonnes of Cane crushed per day)				
(ii) Lakshmipuram	4000	4000	Qtls	274470	206768
	(Tonnes of Cane crushed per day)				
b. Molasses (By-Product)			MT's	49833	52398
c. Industrial Alcohol / Anhydrous Alcohol	50000	50000	BL per day	7807923	10171153
d. Bio Fertiliser			Qtls	161963	148876
e. Electrical Power					
(i) Incidental Co - Generation Power Plant. Vuyyuru	15 MW	15 MW	Kwh	31372700	36435700
(ii) Incidental Co - Generation Power Plant. Lakshmipuram	5 MW	5 MW	Kwh	7188760	5946638

37. Value of Imports made by the Company during the financial year calculated on C.I.F. basis:

Particulars	2013 – 2014 Rs.	2012 – 2013 Rs.
i) Raw Materials	NIL	NIL
ii) Components and Spare parts	282928	NIL
iii) Capital Goods	NIL	NIL

38. Expenditure in Foreign Currency during the financial year on account of:

Particulars	2013 – 2014 Rs.	2012 – 2013 Rs.
i) Foreign Travel	465750	237594
ii) Others	282928	NIL

39. Comparison between consumption of Imported and Indigenous raw materials, spare parts and components during the financial year:

Particulars	2013 – 2014 Rs.	%	2012 – 2013 Rs.	%
a) Raw Materials:				
i) Imported	NIL		NIL	
ii) Indigenous	2824227823	100	2581525572	100
	2824227823		2581525572	
b) Spare parts and Components: (debited to respective heads)				
i) Imported	282928	-	NIL	-
ii) Indigenous	209977267	100	224152122	100

40. Related Party Disclosures:

(AS REQUIRED UNDER PARAGRAPHS 23 AND 26 OF ACCOUNTING STANDARD 18)				**Amt. In Rs.**
(A). Names of related parties and description of relationship:				
1.Subsidiaries	a) The Eimco-K.C.P.Ltd., Chennai, India.			
	b) KCP Sugars Agricultural Research Farms Ltd. Chennai, India.			
2.Key Management Personnel	a) Shri. Vinod R. Sethi, Executive Chairman			
	b) Smt. Irmgard Velagapudi M Rao, Managing Director.			
	c) Smt.V. Kiran Rao, Executive Director.			
(B). Transactions During the year				
Particulars	**Subsidiaries**		**Key Management Personnel**	
	2013 - 14	**2012 - 13**	**2013 - 14**	**2012 - 13**
Interest Received	-	-	-	-
Rent Received	270000	270000	1200000	1200000
Remuneration paid to Key Management Personnel			33018829	52925392
Advances given	782375	2209838	-	-
Advances received back	782375	2209838	-	-
Interest on fixed deposit paid to Key Management Personnel			3000000	3029452
(C). Closing balances as on 31/03/2014				
Party				
(a) The Eimco KCP Ltd.	-	-	-	-
(b) KCP Sugars agricultural Research Farms Ltd.	-	-	-	-
(c) Share Capital held in Subsidiary Companies	28500000	28500000	-	-
(d) Share Capital held by key Management Personnel.	-	-	1871310	1733310
(e) Fixed deposit held by key Management Personnel.	-	-	30000000	30000000

41. Earnings in Foreign Currency during the financial year on account of:

Particulars	2013 – 2014 Rs.	2012 – 2013 Rs.
NIL	NIL	NIL

42. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earnings per share

Particulars		2013 – 2014 Rs.	2012 – 2013 Rs.
Profit attributable to the Shareholders	A	276644491	387613081
Basic / Weighted average number of Equity Shares outstanding during the year	B	113385050	113385050
Nominal value of Equity Shares		1.00	1.00
Basic / Diluted Earnings per share	A/B	2.44	3.42

43. General :

Sundry debtors, creditors and loans and advances are subject to confirmation. Paise have been rounded off.Figures in brackets indicate those for the previous year. Figures for the previous year have been regrouped, wherever necessary.

44. SEGMENT REPORTING :

(I) The Company has identified the reportable segments as on 31-03-2014 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

AMT. IN RS.

	PARTICULARS	PRIMARY SEGMENT									
		SUGAR		CHEMICALS		POWER & FUEL		OTHERS		TOTAL	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	**Segment Revenue**										
	External Revenue	3083097714	3943378115	286264441	249855312	71506260	48827119	61698121	52047625	**3502566536**	4294108171
	Inter Segment Revenue	502840610	377039213	2748427	1946813	424801321	382597948	-	-	**930390358**	761583974
	Total Revenues	**3585938324**	4320417328	**289012868**	251802125	**496307581**	431425067	**61698121**	52047625	**4432956894**	5055692145
2	**Segment Results**										
	Profit before depriciation, finance cost and taxation	**326334572**	578410082	**62727965**	80166297	**128944854**	102353252	**26175194**	22617272	**544182584**	783546903
	Less : Finance Cost	**41316110**	53463771	**3074936**	2242501	**479672**	571890	**676590**	480009	**45547308**	56758171
	Less: Depreciation and Amortizations	**59516382**	57485596	**13622216**	13794323	**34327447**	34266278	**3474160**	3193925	**110940205**	108740122
3	Unallocable Expenditure									**54916519**	(62016907)
	Less : Tax									**56134061**	168418622
	Total Profit									**276644491**	387613081
	Capital Exployed										
4	Segment Assets	**3682241271**	3120826981	**268968741**	207991156	**277164409**	284894966	**44352056**	44447596	**4272726477**	3658160699
5	Unallocable Assets									**539490667**	519855853
6	Segment Liabilities	**1678305370**	1087106465	**7707510**	4432793	**2792577**	18574966	**2361733**	2742739	**1691167190**	1112856963
7	Unallocable Liabilities									**764868488**	872866000
8	Capital Employed									**2356181466**	2192293589
9	**Capital Expenditure**	**20137621**	56358401	**47997507**	1762340	**3025074**	-	**687467**	8960925	**71847668**	67081666

Note:

1. The operations of the parent company and its subsidiaries predominantly relate to manufacture of Sugar,Electrical Energy,Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO2 and Calcium Lactate
2. The Business segments that are disclosed under "Others" comprise Bio Fertilizers and Agricultural Produce.
3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

ii) Geographical Segment:

Particulars	Current Reporting Period	Previous Reporting Period
Sales within India	3502566536	4294108171
Sales outside India	-	-
Total	**3502566536**	**4294108171**

Note: Company does not own or operate any Business outside India.

Carrying Amounts of Geographical Assets and additions to tangible and intagible fixed assets:

Particulars	Carrying amounts of segment assets		Additions to fixed assets & Intangible assets	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Located in India	4812217145	4178016550	71847668	76164503
Located outside India				
Total	**4812217145**	**4178016550**	**71847668**	**76164503**

In accordernce with our report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO
Managing Director

K.V.N.S. KISHORE
Partner
(Membership No.206734)

V. KIRAN RAO
Executive Director

Chennai
26.05.2014

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

K.A.RANGASWAMY
Director

CASH FLOW STATEMENT ANNEXED TO FINANCIAL STATEMENTS

Amt. in Rs.

	2013-2014		2012-2013	
A. Cash Flow from Operating Activities:				
Net Profit before tax and Extraordinary Items		**332778552**		556031703
Adjustments for:				
Depreciation	**110940205**		108740123	
Loss/(Profit) on Sale of Assets	**(1238277)**		127390	
Assets written off	**-**		6072415	
Provision no longer required withdrawn	**(3,580,197)**		(295131)	
Dividend Income	**(36824184)**		(28756674)	
Finance Cost	**45547308**		56758170	
Profit on Sale of Investments	**-**		12242722	
Interest received	**(4608188)**	**110236667**	(4694960)	150194055
Operating Profit before Working Capital Changes		**443015219**		706225758
Adjustments for :				
Trade and other Receivables	**(5494836)**		122238235	
Inventories	**636909126**		(108833081)	
Trade Payables	**(152778854)**		302626875	
		478635436		316032029
Cash Generated from Operation		**(35620216)**		390193729
Direct Taxes Paid		**107809932**		121047727
Cash Flow Before Extraordinary Items		**(143430148)**		269146002
Extraordinary items		**-**		-
Net Cash from Operating Activities		**(143430148)**		269146002
B. Cash Flow from Investing Activities:				
Purchase of Fixed Assets	**10721111**		63531041	
Investments purchased	**5396971**		106435714	
Increase in Capital Work in Progress	**61126558**		(471129)	
Sale of Investments	**-**		(113087142)	
Sale of Fixed Assets	**(1660383)**		(1113914)	
Interest Received	**(4608188)**		(4694960)	
Dividend Received	**(36824184)**		(28756674)	
Net Cash Used in Investing Activities		**34151885**		21842936

Amt. in Rs.

	2013-2014		2012-2013	
C. Cash Flow from Financing Activities				
Repayment of Long Term Borrowings	**(388479940)**		96497000	
Finance cost	**45547308**		56758170	
Dividends and Tax on dividend Paid (Including Interim)	**132654839**		92245258	
Net Cash Used in Financing Activities		**(210277793)**		245500428
Net Increase in Cash and Cash Equivalents (A-B-C)		**32695760**		1802638
Cash and Cash Equivalents at the beginning of the reporting period		**76006691**		74204053
Cash and Cash Equivalents at the end of the reporting period		**108702451**		76006691

In Accordance with our Report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S
K.V.N.S. KISHORE
Partner
M.No. 206734
Chennai
26.05.2014

IRMGARD VELAGAPUDI M. RAO
Managing Director

V. KIRAN RAO
Executive Director

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) & Company Secretary

K.A.RANGASWAMY
Director

CERTIFICATE

To

The Members of

K.C.P. Sugar and Industries Corporation Limited

Chennai.

We have examined the attached Cash Flow Statement of K.C.P. Sugar and Industries Corporation Limited, for the year ended 31st March, 2014. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the National Stock Exchange and is based on and in agreement with the corresponding Statement of Profit and Loss Account and Balance Sheet of the Company covered by our Report of 26-05-2014 to the Members of the Company

Place : Chennai
Date : 26th May, 2014.

For B Purushottam & Co.
Chartered Accountants,
FRN 002808S

K.V.N.S. KISHORE
(M.No. 206734)
Partner

I. THE EIMCO-KCP LIMITED:

1. The above Company is a wholly owned subsidiary of 'K.C.P.Sugar and Industries Corporation Limited', in which the Company holds the entire 6,00,000 shares of Rs.10/- each fully paid up (including 10 shares held by its Nominees).
2. The financial results for the year ended 31.03.2014 and the figures for the corresponding previous financial year is summarized below:

Particulars	F.Y. 2013 - 14	F.Y. 2012 - 13
Profit for the year before tax	**81568308**	33556418
Provision for current/prev. year taxation	**27000000**	11500000
Deferred taxation/ (reversal)	**148592**	(267135)
Profit for the year after tax	**54419716**	22323553
Profit / (Loss) brought forward from previous year	**85032389**	62708836
Profit carried forward to Balance Sheet	**139452105**	85032389

3. The Eimco-KCP Limited has not proposed any dividend for the year-ended 31.03.2014. (Previous year: Nil).
4. No part of the above profits or reserves have been dealt with in the Company's Accounts.

II. KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED:

1. The above Company is a wholly owned subsidiary of 'K.C.P.Sugar and Industries Corporation Limited', in which the Company holds the entire 22,50,000 shares (P:Y.:22,50,000) of Rs.10/- each fully paid up (including 6 shares held by its Nominees) as on 31st March 2014.
2. The financial results for the year ended 31.03.2014 and the figures for the corresponding previous financial year is summarized below:

Particulars	F.Y. 2013 - 14	F.Y. 2012 - 13
Profit for the year before tax	**5132**	(989986)
Deferred taxation/ (reversal)	**(18156)**	48783
Profit for the year after tax	**(13024)**	(1038769)
Profit / (Loss) brought forward from previous year	**1150838**	2189607
Profit carried forward to Balance Sheet	**1137814**	1150838

3. KCP Sugars Agricultural Research Farms Limited has not proposed any dividend for the year ended 31.03.2014.
4. No part of the above profits or reserves have been dealt with in the Company's Accounts.

As per our report of even date

For and behalf of the Board of Directors

IRMGARD VELAGAPUDI M. RAO
Managing Director

V. KIRAN RAO
Executive Director

Chennai
26.05.2014

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Fin) and Company Secretary

K.A.RANGASWAMY
Director

Notes :

THE EIMCO-K.C.P. LTD

Forty Sixth Annual Report

2013 — 2014

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi M.Rao
Vice Chairperson	Smt. V. Kiran Rao
Directors	Shri. J. Satyanarayana Shri. K.Kalyanaraman
Auditors	B. Purushottam & Co., Chartered Accountants, Flat No.3-D, "Pioneer Homes" 23/A, North Boag Road, T.Nagar, Chennai 600017.
Bankers	Axis Bank Limited Canara Bank Corporation Bank
Registered and Corporate Office	"Ramakrishna Buildings", 239, Anna Salai, Chennai 600 006.
Works	11-A, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty sixh Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Wednesday, 10th day of September 2014 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Profit and Loss Account for the period ended on that date and consider the Reports of the Directors and Auditors.

2 To appoint a Director in place of Smt.Irmgard Velagapudi M.Rao, Chairperson, who retires by rotation and is eligible for reappointment.

3 To appoint the Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

// **By Order of the Board** //

For THE EIMCO-K.C.P. LIMITED

Place : Chennai
Date : 26.05.2014

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting

// **By Order of the Board** //

For THE EIMCO-K.C.P. LIMITED

Place : Chennai
Date : 26.05.2014

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

TO THE SHAREHOLDERS

Your Directors have pleasure in submitting their Report for the year ended 31st March 2014 together with the Balance Sheet and the Profit and Loss Account for the year ended on that date.

REVIEW OF OPERATIONS

During the period under review the Company has received Orders totaling to Rs.3,715.12 lakhs as compared to Rs. 4,477.20 lakhs during the previous year. From the enclosed Annual Accounts it may be noted that the income earned from the sale of product and services by the Company for the year ended 31st March 2014 was Rs.5,089.44 lakhs as against Rs.3,667.67 lakhs in the previous year. The Profit was at Rs.815.68 lakhs for the year under review as against profit of Rs. 335.56 lakhs for the previous year. After providing for current and deferred taxation, the net profit for the year was Rs.544.20 lakhs to which after adding the brought forward surplus of Rs.850.32 lakhs, the carry forward surplus to the next year amounted to Rs. 1394.52 lakhs.

DIVIDEND

Your Directors have not recommended any dividend for the Financial Year under review with a view to conserve profits.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

This Industry is not energy intensive with maximum demand being much below 250 KVA. Consequently there is very little Scope of conservation of energy

PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of employees) Rule 1975 and forming a part of Director's Report for the year ended 31st March 2014 is not applicable as there was no employee covered by the same.

EXPORTS & FOREIGN EXCHANGE EARNINGS & OUTGO

Our Exports earnings during 2013-14 was Rs.144.86 lakhs (P.Y.- Rs. 932.26 lakhs). During the period under review the Company has incurred expenditure in foreign currency amounting to Rs.165.78 lakhs towards foreign travel and import of components There are no specific areas in which Research and Development has been carried out by the Company.

DIRECTORS

At the forthcoming Annual General Meeting Smt.Irmgard Velagapudi M.Rao, Chairperson, retires by rotation and is eligible for re-appointment.

STAFF RELATIONS

Industrial Relations with Staff and Workers continue to be Cordial.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2AA) of the Companies Act 1956, your Directors certify as follows:

i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there were no material departures there from;

ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2014 and of the profit of the Company for that year.

iii) that the Directors had taken proper and sufficient care for the Maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors had prepared the annual accounts on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE:

The Secretarial Compliance certificate in terms of the Amended Section 383 A of the Companies Act, 1956 is attached with this Report.

AUDITORS

M/s. B.Purushottam & Co., Chartered Accountants, Chennai, retire at the conclusion of this Annual General Meeting and are eligible for reappointment. The Members approval is being sought to the reappointment of M/s.B. Purushottam & Co., as the Statutory Auditors and to authorize the Board of Directors, to determine the remuneration payable to the Auditors.

As required under the provisions of section 141(3)(g) of the Companies Act, 2013, the Company has obtained a written certificate from them to the effect that their appointment, if made, would in conformity with the limits specified under the said section

For and on behalf of the Board of Directors

Place : Chennai
Date : 26.05.2014

IRMGARD VELAGAPUDI M.RAO
CHAIRPERSON

Registration No : CIN U27209TN1967PLC005550
Authorised Capital : Rs. 1,00,00,000/-
Paid-up Capital : Rs. 60,00,000/-

To
The Members
M/s. The Eimco- K.C.P Limited
183, New No.239, Anna salai, "Ramakrishna Buildings,
Chennai: 600 006.

I have examined the registers, records, books and papers of M/s. THE I have examined the registers, records, books and papers of THE EIMCO-K.C.P. LIMITED, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Tamilnadu within the time prescribed under the Act and rules made thereunder.
3. The company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met six times respectively on 28.05.2013, 21.06.2013, 07.08.2013, 29.10.2013, 14.11.2013 and 06.02.2014 in respect of which meetings proper notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members during the year under scrutiny.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 29th August, 2013 after giving due notice to the members of the company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Act during the year.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act during the year.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The provisions of section 314 were not attracted by the company and hence the company was not required to obtain approvals from the Board of Directors/members pursuant to section 314 of the Act.
12. No duplicate share certificates were issued during the period under scrutiny.
13. The Company has
    i) Not received any request for transfer or transmission of shares during the year.
    ii) Not declared dividend during the period under scrutiny.
    iii) No unclaimed or unpaid dividend which is required to be transferred to Unpaid Dividend Account of the Company.
    iv) No application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and therefore, the question of transferring such amounts to Investors Education and Protection Fund does not arise.
    v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and appointment of director was made during the period under review.
15. The company has not appointed any Managing/Wholetime Director during the financial year.
16. The company has not appointed any sole-selling agent during the period.
17. The company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director or such other authorities under the various provisions of the Act during the year under scrutiny.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares or other securities during the year under scrutiny.
20. The company has not bought back any shares during the financial year.
21. The company has not redeemed any preference shares during the year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer in compliance with the provisions of the Act.
23. The company has not invited/accepted any deposits including unsecured loans falling under the purview of section 58A of the Act.
24. The company has not borrowed any amount from banks or financial institutions during the year..
25. The company has not made loans or advances or given guarantees or provided securities to other bodies corporate during the year.
26. The company has not altered the provisions of memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of memorandum with respect to the name of the company during the year under scrutiny.
29. The company has not altered the provisions of memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year under scrutiny.
31. No prosecution was initiated against the company and no show cause notices were received by the company for alleged offences under the Act.
32. The company has not received any amount as security from its employees during the year under scrutiny.
33. The provisions of Section 418 of the Act are not applicable to this Company.

Place: Chennai
Date : 26.05.2014

P. R. SUDHA
COMPANY SECRETARY
C.P.No : 4468

ANNEXURE A
Registers as maintained by the Company

1. Register of Members u/s 150
2. Minutes of Board Meetings
3. Minutes of meetings of Members
4. Register of Directors u/s 303
5. Register of Directors' shareholding u/s 307
6. Register under section 301
7. Register of Directors' Attendance under Regulation 71 of Table A of Schedule I of the Act.
8. Register of Shareholders' Attendance.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

S. No	Document	Filed U/s	Form No.	Date of Filing & SRN	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/No
1	Modification of charge	135	8	08.08.2013 - B-81081721	Yes	NA
2	Secretarial Compliance Certificate	383A	66	14.09.2013 – Q-11176336	Yes	NA
3	Cost Compliance Report	233-B	A	23.09.2013 – S-22460067	Yes	NA
4	Balance Sheet & Profit Loss Account	220	23AC & 23ACA (XBRL)	25.09.2013 - Q-11656725	Yes	NA
5	Annual Return	159	20B	27.09.2013 - Q-11790516	Yes	NA
6	Appointment of Auditors	224	23-B	07.10.2013 S-22950539	Yes	NA
7.	Appointment of Director	266	32	04.11.2013 – B-88309216	No	Yes

Place: Chennai
Date : 26.05.2014

P. R. SUDHA
COMPANY SECRETARY
C.P.No : 4468

To the Members of

THE EIMCO-K.C.P.LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of THE EIMCO-K.C.P.LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of companies Act,2013 in terms of General Circular 15/2013 dated September 13,2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of companies Act,2013 in terms of General Circular 15/2013 dated September 13,2013 of the Ministry of Corporate Affairs)

e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of under 'Report on Other Legal and Regulatory Requirements 'section of our report of even date)

i) a) The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.

b) The assets have not been physically verified by the Management during the year under report.

c) During the year, the Company has not disposed off any substantial part of Fixed Assets.

ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii) a) According to the information and explanations given to us, the Company has not granted Loans to companies, Firms or other parties covered in the register maintained under section 301 of the companies Act,1956.Accordingly,clauses iii(b),iii(c),iii(d) of Para 4 of the Order, are not applicable.

The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained u/s 301 of the companies Act, 1956. Accordingly, clauses iii (f), iii (g) of Para 4 of the Order, are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted public deposits covered under the provisions of section 58A and 58AA and other applicable provisions of the Companies Act,1956.

vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii) The Provisions of Section 209(1)(d) of the Companies Act 1956,relating to maintenance of cost records, do not apply to the company, during the year under report.

ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise Duty, and other material statutory dues applicable to it.

b) According to the information and explanation given to us no undisputed amounts payable in respect of Income tax, Sales tax, wealth tax, Service tax, Customs Duty and Excise Duty and Cess were in arrears, as at 31-03-2014 for a period of more than six months from the date they became payable.

c) According to the information given to us, there no dues of Income tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited on account of any dispute except in respect of Income tax which have not been deposited. The details are given as under

Sl. No.	Nature of the dues	Name of the Statute	Amount Rs.	Pending before
1	Income tax and related demands (F.Y 2007-08)	Income Tax	1928609	Commissioner of Income Tax Appeals
2	Income tax and related demands (F.Y 2008-09)	Income Tax	4022830	Commissioner of Income Tax Appeals

x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xi) Based on our audit procedures and on the basis of information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.

xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

xiii) In our opinion, the company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

xiv) The nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.

xv) According to the information and explanations given to us and records made available to us, the company has not given any guarantees for loans taken by others from any banks or financial institution

xvi) In our opinion, the company did not avail of any term loans during the year.

xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.

xix) During the period covered by our audit report, the Company has not issued any debentures requiring report under the clause.

xx) The Company has not raised any money by way public issue during the year and hence the question of disclosure and verification of end use of such moneys does not arise during the year.

xxi) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For B. Purushottam & Co
Chartered Accountants
FRN 002808S

Place : Chennai.
Date : 26-05-2014

K.V.N.S Kishore
Partner
(M. No. 206734)

BALANCE SHEET AS AT MARCH 31,2014

Amt in Rs.

Particulars	Note No.	As at end of Current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	**6000000**	6000000
(b) Reserves & Surplus	3	**151456293**	97036577
		157456293	103036577
2. Non - current liabilities			
(a) Deferred tax liabilities (Net)	4	**—**	—
(b) Long term provisions	5	**38813289**	21313157
		38813289	21313157
3. Current Liabilities			
(a) Short term borrowings	6	**—**	16835833
(b) Trade payables	7	**46330295**	69957918
(c) Other current liabilities	8	**46608670**	70176087
(d) Short term provisions	9	**18045325**	10718059
		110984290	167687897
TOTAL		**307253872**	292037631
II ASSETS			
1. Non - current assets			
(a) Fixed Assets			
(i) Tangible assets	10	**22371283**	19952717
(ii) Intangible assets		**—**	877927
(iii) Intangible assets under development		**50751**	—
(b) Deferred tax assets (Net)	4	**22264**	170856
(c) Long term loans and advance	11	**2989788**	2989788
(d) Other non current assets	12	**38936871**	17664965
		64370957	41656253
2. Current Assets			
(a) Current Investments	13	**63141498**	650228
(b) Inventories	14	**59398666**	102344846
(c) Trade receivables	15	**98677373**	122207041
(d) Cash and cash equivalents	16	**9873262**	1386220
(e) Short term loans and advances	17	**11792116**	23793043
TOTAL		**307253872**	292037631

The notes attached form an integral part of the Financial Statement- 1-46

In accordance with our Report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO
Chairperson

K.V.N.S. KISHORE
Partner
M.No. 206734

V. KIRAN RAO
Vice-Chairperson

Chennai
26.05.2014

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31,2014

Amt in Rs..

	Particulars	Note No.	As at end of Current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
I	Revenue from Operations	18	**508943511**	366767127
	Less: Excise duty		**48512126**	26459567
			460431385	340307560
	Other Income	19	**11179484**	18442573
II	**Total revenue**		**471610869**	358750133
III	**Expenses**			
	Cost of materials consumed	20	**179649137**	226533234
	Changes in inventories of finished goods, work in progress and stock in trade	21	**36979451**	(33930762)
	Employee benefits expense	22	**58341476**	50975793
	Finance costs	23	**6668132**	6044022
	Depreciation and amortization expense	24	**4509561**	4838912
	Other expenses	25	**103894804**	70732516
	Total Expenses		**390042561**	325193715
IV	**Profit/(Loss) before tax ((I+II)-III)**		**81568308**	33556418
V	**Tax expense:**			
	(1) Current tax		**27000000**	11500000
	(2) Deferred tax Assets/(Liability)		**148592**	267135
			27148592	11232865
VI	Profit for the year		**54419716**	22323553
VII	Earning per equity share:			
	Basic & Diluted		**90.70**	37.21

The note numbers 1 - 46 attached form an integral part of the Financial Statements

In accordance with our Report attached

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

K.V.N.S. KISHORE
Partner
M.No. 206734

Chennai
26.05.2014

For and behalf of the Board of Directors

IRMGARD VELAGAPUDI M. RAO
Chairperson

V. KIRAN RAO
Vice-Chairperson

ACCOUNTING POLICIES

i. Basis of Preparation of Financial Statements

The Financial statements have been prepared on the basis of going concern, under the historical cost convention to comply in all the material aspects with applicable accounting principles in India, the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the said Act.

ii. Fixed Assets :

(a) Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of all freight, duties, taxes, incidental expenses relating to the cost of acquisition and the cost of installation/erection as applicable.

(b) Modvat availed, if any, during the year on Fixed Assets, is not included in the cost of such Fixed Assets capitalized during the year.

iii. Depreciation :

Depreciation on all assets is provided on written down value method in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956, in the manner and the rates specified in schedule XIV of the said act. Assets costing individually upto Rs.5000/- are fully depreciated in the year of acquisition.

iv. Investments:

Long-term investments are carried at cost and provision for diminution in the value there of other than temporary in nature is accounted for. Current Investments are stated at the lower of cost and fair value.

v. Inventories:

a. Finished Goods are valued at lower of cost and net realizable value, as increased by excise duty thereon as applicable.

b. Scrap is valued at net realizable value.

c. Work in progress is valued at lower of cost or net realizable value of the finished goods duly adjusted according to the percentage of progress.

d. Raw materials, Stores, Spare parts, Material in Transit, etc., are valued at cost, except when the net realizable value of the finished goods they are used in is less than the cost of the finished goods and if in such an event the replacement cost of such materials etc., is less than their holding cost, in which case they are valued at replacement cost. Cost is determined on the basis of weighted average method.

vi Revenue Recognition:

Revenue from the sale of goods is recognized as and when dispatches were made, as per the terms of the contract.

Sales are inclusive of excise duty recovered and net of discount and rebates.

Revenue from service related activities is recognized as and when the activity is completed under the terms of the contract.

vii Foreign Currency Transactions :

a. Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately to capital or revenue, with the difference in the rate of exchange arising on actual receipt /payment during the year.

b. At each Balance Sheet Date

i. Foreign currency monetary items are reported using the rate of exchange on that date

ii. Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized

c. In respect of forward exchange contracts in the natures of hedges

i. Premium or discount on the contract is amortized over the term of contract

ii. Exchange differences on the contract are recognized as profit or loss in the period in which they arise.

viii Research and Development Expenditure

In respect of approved Research and Development programmes, expenditure of capital nature is included in the Fixed Assets and the other expenditure is charge off to revenue, in the year in which such expenditure is incurred.

ix Employee Benefits:

a. Defined Contribution Plans: Fixed contribution to provident fund and employees state insurance made on monthly basis with relevant authorities are absorbed in Profit and Loss Account.

b. Defined Benefit Plans (Long term employee benefits)

Gratuity: Contributions to Gratuity Fund are made on the basis of Actuarial Valuation made by LIC using Projected Unit Credit Method. Gratuity Benefits is funded with LIC.

Leave Encashment: Provision is made in the accounts for the estimated liability towards leave encashment on retirement / cessation of the services of the staff, as per the rules of the company. In respect of workmen, un-availed leave wages is paid during the end of the calendar year and accounted on accrual basis.

Short Term employee benefits: Short-term employee benefits are absorbed as an expense as per the company's scheme based on expected obligation on undiscounted basis.

x Taxation:

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income tax Act – 1961.

- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

xi Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xii Impairment of Assets

At the date of each Balance Sheet, the company evaluates internally, indications of the impairment if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recognized.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

xiii Provisions, Contingent Liabilities, Contingent Assets, Warranty and Guarantee Claims.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of recourses. Contingent Liabilities are not recognized in the accounts, but are disclosed after a careful evaluation of the concerned facts and legal issues involved.

Company's liability for performance warranties is recognized in the accounts in the year of claim by the customers. Liability in respect of delivery guarantees is recognized in accounts in the year in which delay occurs as per the contract.

Amt in Rs.

Particulars	Number	As at end of current reporting period 31-03-2014	**Number**	As at end of previous reporting period 31-03-2013
2 . SHARE CAPITAL				
Authorised :				
Equity shares of Rs.10 /- each	**1000000**	**10000000**	1000000	10000000
		10000000		10000000
Issued, subscribed and fully paid up:				
600000 Equity shares of Rs.10 /- each	**600000**	**6000000**	600000	6000000
		6000000		6000000
Reconcilation of number of shares				
At the beginning of the reporting period	**600000**	**6000000**	600000	6000000
Issued during the reporting period	**-**	**-**	**-**	-
Bought back during the reporting period	**-**	**-**	**-**	-
At the close of the reporting period	**600000**	**6000000**	600000	6000000

Rights, Preferences and Restrictions attached to shares

The Compnay has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding however no such preferential amounts exist currently.

Details of shares held by the holding company	**No of Shares**	**Amount**	**No of Shares**	**Amount**
K C P SUGARS & INDUSTRIES CORPORATION LTD	600000	6000000	**600000**	6000000
% of holding		100		100

3. Reserves and Surplus:

Particulars	General reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	12004188	85032389	97036577
Transferred from/to Profit & Loss Account		54419716	54419716
At the close of the reporting period	12004188	139452105	151456293
At the close of the previous reporting period	12004188	85032389	97036577

4. Deferred tax liability: **Amt. In Rs.**

Particulars	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
Deferred tax liability:		
a) On account of depreciation on fixed assets	**47911**	89463
b) On account of timing differences in recognition of expenditure	**545282**	369791
Total	**593193**	459254
Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	**615457**	630110
	615457	630110
Net Deferred tax liability/(asset)	**(22264)**	(170856)
5. Long term Provisions:		
Deferred tax liability:		
a) Provisions for employee benefits	**3655466**	2790001
b) Others - Provisions for Liquidated Damages	**35157823**	18523156
	38813289	21313157
6. Short term Borrowings:		
Secured Loans:		
Loans repayable on demand		
- from banks	**-**	16835833
	-	16835833
Details of security for secured loans		
Secured by exclusive charge on the entire current assets of the company and collaterally by hypothecation of entire movable fixed assets of the company alongwith equitable mortgage of factory land and buildings at Ambattur, Chennai		
7. Trade Payables:		
i) To Micro, Small and Medium Enterprises	**-**	-
ii) Trade payable for Goods and Services	**46330295**	69957918
	46330295	69957918
8. Other current liabilities:		
i) Statutory Liabilities	**2182463**	2268699
ii) Accrued Salaries, Wages & Benefits payable	**716917**	630709
iii) Advance received from customers	**43709290**	67276679
	46608670	70176087
9. Short term provisions:		
a) Provision for employee benefits	**14082571**	7644101
b) Provision for Income Tax (Net)	**3962754**	3073958
	18045325	10718059

10. Fixed Assets

Amt. In Rs.

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at beginning of current reporting period	Additions for the year	Deductions during the year	As at end of current reporting period	As at beginning of current reporting period	For the year	Deductions	**As at end of current reporting period**	**As at end of current reporting period**	As at end of previous reporting period 31-03-2011
Tangible Assets										
Own assets										
Land	632110	**-**	**-**	**632110**	**-**	**-**	**-**	**-**	**632110**	632110
Buildings	15898040	**1198739**	**-**	**17096779**	6246054	939462	**-**	**7185516**	**9911263**	9651985
Plant & Machinery	27269834	**1581361**	**-**	**28851195**	21220704	1371843	**-**	**22592547**	**6258648**	6049129
Furniture & Fixtures	3396395	**205134**	**-**	**3601529**	2785278	127370	**-**	**2912648**	**688881**	611118
Vehicles	1326555	**1253143**	**-**	**2579698**	807381	161451	**-**	**968832**	**1610866**	519174
Office equipment	1692858	**641580**	**-**	**2334438**	1266254	78394	**-**	**1344648**	**989790**	426604
Computers	12556514	**1170240**	**-**	**13726754**	10493915	953114	**-**	**11447029**	**2279725**	2062597
	62772306	**6050197**	**-**	**68822503**	42819586	3631634	**-**	**46451220**	**22371283**	19952717
Intangible assets										
Others (Specify nature) Knowhow	235000	**-**	**-**	**235000**	235000	**-**	**-**	**235000**	**-**	**-**
Softwares	1755855	**-**	**-**	**1755855**	877928	877927	**-**	**1755855**	**-**	877927
Intangible assets under development	**-**	**50751**	**-**	**50751**	**-**	**-**	**-**	**-**	**50751**	-
	1990855	**50751**	**-**	**2041606**	1112928	877927	-	**1990855**	**50751**	877927
Total	64763161	**6100948**	**-**	**70864109**	43932514	4509561	-	**48442075**	**22422034**	20830644

Amt. In Rs.

Particulars	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
11. Long term loans and advances:		
Unsecured considered good		
i) Security Deposits	**603701**	603701
ii) IT Refund Receivable	**2386087**	2386087
	2989788	2989788
12. Other non current assets:		
Unsecured considered good		
i) Interest Receivable	**2025269**	1380155
ii) Margin Money fixed deposits with Bank	**36911602**	16284810
	38936871	17664965
13. Current Investments:		
Investment in Mutual Funds (NAV as on 31.03.2014Rs.63141498/-),PY 650228	**63141498**	650228
	63141498	650228
14. Inventories:		
i) Raw materials	**23059962**	29401213
ii) Work in progress	**29796225**	67524428
iii) Finished goods	**5983749**	5234997
iv) Loose tools	**558730**	184208
	59398666	102344846
15. Trade receivables:		
Unsecured, considered good		
i) Trade receivables exceeding six months	**8681927**	4626845
ii) others	**89995446**	117580196
	98677373	122207041
16. Cash and cash equivalents:		
i) Balances with banks		
- in Current accounts	**9762544**	1232625
ii) Cash on hand	**110718**	153595
	9873262	1386220
17. Short term loans and advances:		
Unsecured, considered good		
i) Advances for Supply of goods and rendering of services	**4599494**	8401937
ii) Loans and advances to Employees	**47397**	241194
iii) Prepaid Taxes and Expenses	**7145225**	15149912
	11792116	23793043

Amt. In Rs.

Particulars	For the current reporting period 2013-14	For the previous reporting period 2012-13
18. Revenue from operations:		
i) Sale of products		
Filters	**237843648**	57493331
Thickeners, Components, Spares, Bar Screens, etc.,	**267250544**	296508462
ii) Sale of services	**2132673**	10379180
iii) Other operating revenue	**1716646**	2386154
	508943511	366767127
Less: Excise Duty	**48512126**	26459567
	460431385	340307560
19. Other Income:		
i) Interest income	**2143955**	2077932
ii) Miscellaneous Receipts	**1733522**	1652101
iii) Packing & Forwarding Charges	**950614**	805140
iv) Difference in Foreign Exchange	**1576522**	459109
v) Provision no longer required withdrawn	**622080**	13408906
vi) Credit Balance Written Back	**1661521**	39385
vii) Dividend Income from Mutual Funds	**2491270**	-
	11179484	18442573
20. Cost of materials consumed:		
i) Consumption of raw materials		
Stainless Steel	**13585893**	16722819
Iron and Steel	**15395380**	22975822
ii) Consumption of stores and spare parts	**150667864**	186834593
	179649137	226533234
21. Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
i) Work in progress	**29796225**	67524428
ii) Finished goods	**5983749**	5234997
Total	**35779974**	72759425
Stocks at the begining of the year		
i) Work in progress	**67524428**	27694309
ii) Finished goods	**5234997**	11134354
Total	**72759425**	38828663
Net	**36979451**	(33930762)

Amt. In Rs.

Particulars	For the current reporting period 2013-14	For the previous reporting period 2012-13
22. Employee Benefit Expenses:		
i) Salaries and wages	**53122794**	46063341
ii) Contribution to provident and other funds	**2752600**	2655126
iii) Staff welfare expenses	**2466082**	2257326
	58341476	50975793
23. Finance Costs:		
i) Interest expense	**1345803**	576251
ii) Bank Guarantee Commission and other charges	**5322329**	5467771
	6668132	6044022
24. Depreciation and amortization:		
Depreciation	**3631634**	3960984
Amortization of Intangiable Assets	**877,927**	877,928
	4509561	4838912
25. Other expenses:		
i) Machining and fabrication charges	**36815742**	28867509
ii) Work Shop Maintenance	**1687307**	1617675
iii) Power and fuel	**3196808**	3374415
iv) Rent	**303372**	303372
v) Research , inspection and testing charges	**221148**	85553
vi) Repairs to machinery	**245835**	142256
vii) Repairs others	**445318**	958119
viii) Insurance	**228685**	275554
ix) Rates and taxes	**996572**	257667
x) Payment to the auditors		
- as auditor - Audit Fees	**56180**	56180
- for other services - Certification Fees	**5618**	5618
- Out of Pocket Expenses	**1589**	4904
xi) Selling expenses	**17983805**	15019246
xii) Performance and delivery guarantee claims	**28568759**	10066814
xiii) irrecoverable loans and advances written off	**364324**	-
xiv) Legal and professional charges	**2667357**	1671863
xv) Loss on sale of assets	**-**	20175
xvi) Miscellaneous expenses	**10106385**	8005596
	103894804	70732516

26. CONTINGENT LIABLITIES:

a). The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.12,66,09,428/- (P.Y.Rs..11,23,01,086/-) are secured by stores and spares (including those lying with subcontractors), Work in progress and Finished goods.

b) No provision has been made towards:-

i) Disputed ESI demand raised by ESI authorities under ESI Act for the years 1990-91 to 1993-94 amounting to Rs.68233/-. Pending disposal of its appeal against the said demands the company paid Rs.15,000/- under protest, and the same is grouped under Loans and Advances.

Disputed ESI demand raised by ESI authorities under ESI Act for the years 2000-01 to 2003-04 amounting to Rs.106256/-. Pending disposal of its appeal against the said demands the company paid Rs.26, 564 /- under protest, and the same is grouped under Loans and Advances.

ii) Disputed Income Tax demand raised by Income Tax authorities under Income Tax Act for the years 2007-08(A.Y-2008-2009) amounting to Rs.19,28,609/- including interest. Pending disposal of its appeal against the said demands with Commissioner of Income Tax Appeals (III).

Disputed Income Tax demand raised by Income Tax authorities under Income Tax Act for the years 2008-09(A.Y-2009-2010) amounting to Rs.6,64,880/- including interest. Pending disposal of its appeal against the said demands with Commissioner of Income Tax Appeals (III)

27. Sale of Products and services (including Excise Duty recovered).

Particulars		Current Reporting Period 2013-2014		Previous Reporting Period 2012-2013	
		Qty.	Value Rs.	Qty.	Value Rs.
(I)	**SALES:**				
	Filters (in Nos)	**8 Nos**	**237843648**	9 Nos	57493331
	Thickeners, Components, Spares, Bar screens, etc.				
	(Unit quantification not possible)		**267250544**		296508462
	Scrap		**1716646**		2386154
	TOTAL		**506810838**		**356387947**
(II)	**SERVICES:**				
	Service Charges		**1356855**		3756687
	Design, Erection & Fabrication		**775818**		6622483
	TOTAL		**508943511**		**366767127**

28. Raw Materials Consumed (in MT)

Particulars	Current Reporting Period 2013-2014		Previous Reporting Period 2012-2013	
	MT	**Rs.**	MT	Rs.
Stainless Steel	**58.89**	**13585893**	81.69	16722819
Iron and Steel	**366.05**	**15395380**	555.68	22975822
TOTAL	**424.94**	**28981273**	637.37	39698641

Note: The above does not include of Rs 15,06,67,864/- (P.Y.Rs. 18,68,34,593/-) being the cost of Motors, Components, Pipes, Spares etc., consumed.

29. Opening and Closing Stock of Finished Goods.

Particulars	OPENING STOCK				CLOSING STOCK			
	Current reporting period 2013-2014		Previous reporting period 2012-2013		Current reporting period 2013-2014		Previous reporting period 2012-2013	
	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
Filters	-	-	-	-	-	-	-	-
Washers, Classifiers, Clarifiers, Components Spares etc (Unit Quantifi-cation not Possible)	-	5234997	-	11134354	-	5983749	-	5234997
Chemicals	-	-	-	-	-	-	-	-
Total		**5234997**		**11134354**		**5983749**		**5234997**

30. Purchase of Finished Goods

Particulars	Current reporting period 2013-2014		Previous reporting period 2012-2013	
	Qty.	Value Rs.	Qty.	Value Rs.
Chemicals	NIL	NIL	NIL	NIL

31. Particulars regarding Capacity and Production : The Business carried on by the company does not require any Industrial Licence. Owing to the nature of the company's Business the installed Capacity cannot be quantified.

Actual Production : 8Nos.(P Y.9Nos.) Filters, besides Washers, Classifiers, Clarifiers, Components, Spares etc.

32. Comparison between consumption of imported and indigenous raw materials, spares and Components during the financial year (debited to various accounts)

Particulars	Current reporting period 2013-2014		Previous reporting period 2012-1013	
	VALUE Rs	%	VALUE Rs	%
Raw materials:				
Imported	NIL	NIL	NIL	NIL
Indigenous	28981273	100.00	39698641	100.00
Spares and Components:				
Imported	15384940	10.21	7191522	3.85
Indigenous	135282924	89.79	179643071	96.15
TOTAL	**150667864**	**100.00**	**186834593**	**100.00**

33. Expenditure incurred in Foreign Currency during the year.

Particulars	Current reporting period 2013-2014 Rs.	Previous reporting period 2012-2013 Rs.
Foreign Travel Expenses	1193101	376332
TOTAL	**1193101**	**376332**

34. Value of imports made by the company during the year calculated on CIF Basis.

Particulars	Current reporting period 2013-2014 Rs.	Previous reporting period 2012-2013 Rs.
Components	15384940	7191522
Finished Goods- Chemicals	0	0
TOTAL	**15384940**	**7191522**

35. Earnings in Foreign Exchange from Export of Goods & Services, on FOB basis

Particulars	Current reporting period 2013-2014 Rs.	Previous reporting period 2012-2013 Rs.
Export of Goods- FOB Value*	14486042	93225934
Total	**14486042**	**93225934**

36. The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

37. Disclosure under Accounting Standard 15-Employee Benefits:

GRATUITY :

1.	Assumptions	**31/03/2014**	**31/03/2013**
	Discount Rate	8.0%	8.0%
	Salary Escalation	5%	5%
2.	**Table showing changes in present value of obligations**	**Rs.**	**Rs.**
	Present value of obligations as at beginning of year	5537143	5170285
	Interest cost	442971	413623
	Current Service Cost	524534	512586
	Benefits Paid	(640285)	(493315)
	Actuarial loss on obligation	5752	(66036)
	Present value of obligations as at end of year	5870115	5537143
3.	**Table showing changes in the fair value of Plan assets LIC FUND**		
		Rs.	**Rs.**
	Fair value of plan assets at beginning of year	6212595	5604970
	Expected return on plan assets	547037	493519
	Contributions	1075307	607421
	Benefits paid	(640285)	(493315)
	Actuarial gain on plan assets	-	-
	Fair value of plan assets at the end of year	7194654	6212595

4.	**Table showing fair value of plan assets**		
	Fair value of plan assets at beginning of year	6212595	5604970
	Actual return of plan assets	547037	493519
	Contributions	1075307	607421
	Benefits Paid	(640285)	(493315)
	Fair value of plan assets at the end of year	7194654	6212595
	Funded status (Asset)	1324539	675452
	Excess of Actual over estimated return on plan assets	-	-
5.	**Actuarial Gain/Loss recognised**		
	Actuarial Gain on obligation	(5752)	66036
	Actuarial loss on plan assets	-	-
	Total Gain for the year	5752	(66036)
	Actuarial Gain recognized in the year	5752	(66036)
6.	**The amounts to be recognized in the balance sheet and statement of profit and loss**		
	Present value of obligations as at the end of year	5870115	5537143
	Fair value of plan assets as at the end of the year	7194654	6212595
	Funded status (Asset)	1324539	675452
	NET ASSET RECOGNIZED IN THE BALANCESHEET	1324539	675452
7.	**Expenses Recognized in statement of Profit & Loss**		
		Rs.	Rs.
	Current Service Cost	524534	512586
	Interest Cost	442971	413623
	Expected return on plan assets	(547037)	(493519)
	Net Actuarial loss recognized in the year	5752	(66036)
	Expenses recognized in the profit & loss	426220	366654

38. Borrowing Cost as Per AS-16:

Company has capitalized an amount of Rs.Nil (Rs.Nil/-) as borrowing cost on qualifying asset.

39. The Company operates in a single segment hence there are no reportable segments as per the requirements of Accounting Standard 17 "Segment Reporting".

40. Related Party Disclosures – As per AS-18:

i) Name of related parties and description of relationship:

1. Holding Company: KCP Sugar and Industries Corporation Ltd.,
2. Key Management Personnel: Smt.Irmgard Velagapudi M.Rao
   Smt.Kiran.V.Rao

ii) Transactions with related parties:

Particulars	Holding Company	Key Management Personnel
	Rs	Rs
Rent Paid	303372(P.Y303372)	NIL

iii) Closing Balances with related parties:

Particulars	As on 31.03.2014 Rs.	As on 31.03.2013 Rs.
Outstanding Balance Payable to Holding Company	NIL	NIL

41. Operating Lease Disclosures – As per AS-19:

Rent expenses of Rs.303372/- (Previous year Rs.303372 /-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account.

There are no future obligations in respect of the operating leases

42. Earning per Share (EPS)- As per AS-20:

Particulars	2013-2014 Rs.	2012-2013 Rs.
Profit attributable to the Shareholders (A)	54419716	22323553
Basic / Weighted average number of Equity shares outstanding during the year (B)	600000	600000
Nominal Value of Equity Shares	10	10
Basic/ Diluted Earnings per Share (A / B)	90.70	37.21

43. Balances due to or from various parties are subject to confirmation by and reconciliation with such parties.

44. All figures in brackets indicate those of previous year.

45. Previous year figures have been regrouped wherever necessary.

46. Paise have been rounded off.

Signature to Schedules 2 to 46, Accounting Policies and Notes on Accounts.

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO
Chairperson

K.V.N.S. KISHORE
Partner
M.No. 206734

V. KIRAN RAO
Vice-Chairperson

Chennai
26.05.2014

PARTICULARS	Amount in Rs.			
	2013-2014		2012-2013	
A. Cash flows from operating activities				
Net Profit before tax and Extraordinary items:		**81568308**		33556418
Adjustments for:				
Depreciation and amortization expense	**4509561**		4838912	
Debit Balances Written off	364324		-	
Loss on Sale of Asset	**-**		20175	
Excess Provision credited back	**(622080)**		(13408906)	
Credit Balances written back	**(1661521)**		(39385)	
Interest Paid	**6668132**		6044022	
Interest received	**(2143955)**		(2077932)	
Dividends received	**(2491270)**	**4623191**		(4623114)
Operating Profit Before Working Capital Changes		**86191499**		28933304
Adjustments for:				
Trade and other Receivables	**13894365**		(28377150)	
Inventories	**42946180**		(33681421)	
Trade Payables and others	**(20972840)**		57712155	
		35867705		(4346416)
Cash Generated from Operations		**122059204**		24586888
Direct taxes paid		**(26111204)**		(13443646)
Cash Flow before Extraordinary items		**95948000**		11143242
Extraordinary items		**-**		**-**
Net Cash from Operating Activities		**95948000**		11143242
B. Cash flows from investing activities				
Purchase of property, plant and equipment	**(6100948)**		(6293329)	
Proceeds from sale of property, plant and equipment			18000	
Purchase of investments	**(62491270)**		**(650228)**	
Interest received	**2143955**		**2077932**	
Dividend received	**2491270**			
Net cash used in investing activities		**(63956993)**		**(4847625)**
C. Cash flows from financing activities				
Repayment of short term borrowings	**(16835833)**		(2328425)	
Interest paid	**(6668132)**		(6044022)	
Net cash from financing activities		**(23503965)**		(8372447)
Net increase/(decrease) in cash and cash equivalents		**8487042**		**(2076830)**
Cash and cash equivalents at beginning of reporting period		**1386220**		**3463050**
Cash and cash equivalents at end of reporting period		**9873262**		**1386220**

In Accordance with our Report attached

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

K.V.N.S. KISHORE
Partner
M.No. 206734

Chennai
26.05.2014

IRMGARD VELAGAPUDI M. RAO
Chairperson

V. KIRAN RAO
Vice-Chairperson

Notes :

KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

Fifteenth Annual Report

2013- 2014

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi M. Rao
Directors	Shri. Vinod R. Sethi Shri. R. Ganesan
Auditors	Venkat & Rangaa., Chartered Accountants, Flat No.5, 1st Floor 11/6, Sixth Main Road R.A.Puram – Chennai 600028.
Bankers	Corporation Bank
Registered and Corporate Office	"Ramakrishna Buildings" 239, Anna Salai, Chennai 600 006.
Farm	Thirupukuzhi and Melambi Villages Kanchipuram Dist, Tamil Nadu

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Wednesday, 10th day of September 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Profit and Loss Account for the period ended on that date and consider the Reports of the Directors and Auditors.

2 To appoint a Director in place of Smt.Irmgard Velagapudi M.Rao, Chairperson, who retires by rotation and is eligible for reappointment.

3 To consider appointment of M/s. B.Purushottam & Co., Chartered Accountants (FRN 002808S) as Statutory Auditors in place of the retiring Auditors, M/s. Venkat & Rangaa, Chartered Accountants (FRN 004597S), (who have given notice in writing to the Company of their inability to be reappointed), and to authorize the Board to fix their remuneration. A special notice has been received from a member to appoint M/s. B.Purushottam & Co., Chartered Accountants, in place of the retiring auditors.

The following resolution is proposed:

"RESOLVED that M/s. B.Purushottam & Co., Chartered Accountants, Chennai, (FRN 002808S) be and are hereby appointed as Statutory Auditors of the Company in place of M.s. Venkat & Rangaa, Chartered Accountants, Chennai, the retiring Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting."

FURTHER RESOLVED that the remuneration, terms and conditions of the Statutory Auditors as aforesaid, be determined by the Board of Directors of the Company."

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting

// **By Order of the Board** //

For **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.**

Place : Chennai

Date : 26.05.2014

IRMGARD VELAGAPUDI M. RAO

CHAIRPERSON

Your Directors have pleasure in presenting the Fifteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2014.

REVIEW OF OPERATIONS:

During the year ended 31.03.2014, the turnover and other income increased to Rs. 10.41 lakhs from Rs.10.00 lakhs. This has resulted in profit of Rs.0.05 lakhs as against loss of Rs. 9.90 lakhs in the previous year. After providing for deferred taxation of Rs.0.18 lakhs, the loss was Rs.0.13 lakhs. After adjusting loss of Rs.0.13 lakhs from carried forward profit of Rs.11.51 lakhs from previous year, the balance profit carried to the Balance Sheet was Rs.11.38 lakhs.

FIXED DEPOSITS:

Your Company has not accepted any fixed deposits during the period under review.

DIRECTORS:

In accordance with the Companies Act 1956 and the Articles of the Association of the Company, Smt.Irmgard Velagapudi M.Rao, Director, retires by rotation and is eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT :

Your Directors confirm:

i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed;

ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the period ended 31st March 2014 and of the profit of the Company for that period ;

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the Directors have prepared the annual accounts on a going concern basis.

STATUTORY STATEMENTS:

The Statement containing Particulars of Employees required in terms of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder have not been appended herewith as there is no employee covered by the same.

The Statement pursuant to Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not enclosed as the same does not apply to the Company.

SECRETARIAL COMPLIANCE CERTIFICATE:

The Secretarial Compliance Certificate in terms of the amended Section 383A of the Companies Act 1956 is attached with this report.

AUDITORS:

It is proposed to appoint M/s. B.Purushottam & Co., Chartered Accountants (FRN 002808S), as the Statutory Auditors of the Company, from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting, in place of the retiring Auditors, M/s. Venkat & Rangaa, Chartered Accountants (FRN 004597S), who have given notice in writing to the Company of their unwillingness to be reappointed. M/s. B.Purushottam & Co., Chartered Accountants, have given their consent for this appointment. As required under the provisions of section 141(3)(g) of the Companies Act, 2013, the Company has obtained a written certificate from them to the effect that their appointment, if made, would in conformity with the limits specified under the said section

For **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.**

Place : Chennai

IRMGARD VELAGAPUDI M. RAO

Date : 26.05.2014

CHAIRPERSON

Registration No: **U73100TN1998PLC041501**

Authorised Capital: **Rs. 50,000,000/-**

Paid-up Capital: **Rs. 22,500,000/-**

To

The Members

KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

RAMAKRISHNA BULLDINGS,

239 (OLD NO.183), ANNA SALAI,

CHENNAI 600 006.

I have examined the registers, records, books and papers of KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Tamilnadu within the time prescribed under the Act and rules made thereunder.
3. The company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times respectively on 28.05.2013, 07.08.2013, 29.10.2013 and 06.02.2014 in respect of which meetings proper notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The company did not close its Register of Members during the year under scrutiny.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 29th August, 2013 after giving due notice to the members of the company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Act during the year.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act during the year.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The provisions of section 314 were not attracted by the company and hence the company was not required to obtain approvals from the Board of Directors/members pursuant to section 314 of the Act.
12. No duplicate share certificates were issued during the period under scrutiny.
13. The Company has
    - i) Not received any request for transfer or transmission of shares during the year.
    - ii) Not declared dividend during the period under scrutiny.
    - iii) No unclaimed or unpaid dividend which is required to be transferred to Unpaid Dividend Account of the Company.
    - iv) No application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and therefore, the question of transferring such amounts to Investors Education and Protection Fund does not arise.

v) Duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors or directors to fill casual vacancies during the period under review.
15. The company has not appointed any Managing/Wholetime Director during the financial year.
16. The company has not appointed any sole-selling agent during the period.
17. The company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director or such other authorities under the various provisions of the Act during the year under scrutiny.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares or other securities during the year under scrutiny.
20. The company has not bought back any shares during the financial year.
21. The company has not redeemed any preference shares during the year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer in compliance with the provisions of the Act.
23. The company has not invited/accepted any deposits including unsecured loans falling under the purview of section 58A of the Act.
24. The company has not made any borrowings from banks or financial institutions during the financial year.
25. The company has not made loans or advances or given guarantees or provided securities to other bodies corporate during the year.
26. The company has not altered the provisions of memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of memorandum with respect to the name of the company during the year under scrutiny.
29. The company has not altered the provisions of memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year under scrutiny.
31. No prosecution was initiated against the company and no show cause notices were received by the company for alleged offences under the Act.
32. The company has not received any amount as security from its employees during the year under scrutiny.
33. The provisions of Section 418 of the Act are not applicable to this Company.

Annexure A:

Registers as maintained by the Company

1. Register of Members u/s 150
2. Minutes of Board Meetings
3. Minutes of meetings of Members
4. Register of Directors u/s 303
5. Register of Directors' shareholding u/s 307
6. Register under section 301
7. Register of Directors' Attendance under Regulation 71 of Table A of Schedule I of the Act.
8. Register of Shareholders' Attendance.

Annexure B:

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2014.

S. No	Document	Filed U/s	Form No.	Date of Filing & SRN	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Secretarial Compliance Certificate	383A	66	14.09.2013 – Q-11176740	Yes	NA
2	Balance Sheet & Profit Loss Account	220	23AC & 23ACA (XBRL)	25.09.2013 - Q-11658184	Yes	NA
3	Annual Return	159	20B	27.09.2013 - Q-11789112	Yes	NA
4	Appointment of Auditors	224	23-B	24.09.2013 S-22467971	Yes	NA

Place : Chennai
Date : 26.05.2014

P R SUDHA
Company Secretary
C P No: 4468

To the Members of KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **K.C.P. SUGARS AGRICULTURAL RESEARCH FARMS LIMITED,** No.239 (Old No 183), Ramakrishna Buildings, Anna Salai, Chennai 600 006 which comprise the Balance Sheet as at 31st March, 2014 and the Statement Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Venkat & Rangaa
Chartered Accountants
FRN – 4597S
K.R. Adivarahan
Partner
M.No.25420

Place : Chennai
Date : 26.05.2014

Referred to in Para 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
   (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
   (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories are not applicable to this Company as it is in the business of Agriculture.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
   (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
   b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records are not applicable to this company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
   (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has incurred cash loss during the financial year covered by our audit and has not incurred cash loss in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not obtained any loans from a financial institution, bank or debenture holders and hence this clause is not applicable.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Hence this clause is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has not issued debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Venkat & Rangaa
Chartered Accountants
FRN – 4597S

K.R. Adivarahan
Partner
M.No.25420

Place : Chennai
Date : 26.05.2014

BALANCE SHEET AS AT MARCH 31,2014

AMT IN RS.

	Particulars	Note No.	As at end of current reporting period 31-03-2014		As at end of previous reporting period 31-03-2013	
I	**EQUITY AND LIABILITIES**					
	1. Shareholders' Funds					
	(a) Share Capital	2	**22500000**		22500000	
	(b) Reserves & Surplus	3	**1137814**		1150838	
				23637814		23650838
	2. Non - current liabilities					
	Deferred Tax Liability	4		**200377**		182221
	3. Current Liabilities					
	Other current liabilities	5		**30455**		30455
	TOTAL			**23868646**		23863514
II	**ASSETS**					
	1. Non - current assets					
	(a) Fixed Assets - Tangible assets	6	**6630362**		6221713	
	(b) Non - current investments	7	**13144830**		13144830	
				19775192		19366543
	2. Current Assets					
	(a) Current Investments	8	**3627159**		3997906	
	(b) Inventories	9	**14920**		-	
	(c) Trade receivables	10	**-**		31125	
	(d) Cash and Cash equivalents	11	**63929**		57068	
	(e) Short term loans and advances	12	**387446**		410872	
				4093454		4496971
	TOTAL			**23868646**		23863514

The notes numbers 1 to 19 attached form an integral part of Financial Statements

As per our report of even date
for **VENKAT & RANGAA**
Chartered Accountants
FRN 004597S

Chennai
26.05.2014

K.R.ADIVARAHAN
Partner
M. No. 25420

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M.RAO
Chairperson

R.GANESAN
Director

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31,2014

AMT IN RS.

		Note No.	Current reporting period 2013-14		Previous reporting period 2012-13	
I	Revenue from Operations	13		**470104**		338350
II	Other Income	14		**570733**		661724
III	**Total revenue (I + II)**			**1040837**		1000074
IV	Expenses					
	Changes in inventories	15		**(14920)**		462465
	Employee benefits expense	16		**375212**		524378
	Finance costs	17		**1752**		1355
	Depreciation	6		**62186**		68442
	Other expenses	18		**611475**		933420
	Total Expenses			**1035705**		1990060
V	Profit before tax (III-IV)			**5132**		(989986)
VI	Tax expense:					
	(1) Current tax		**-**			
	(2) Deferred tax		**18156**	**18156**	48783	48783
VII	Profit for the year			**(13024)**		(1038769)
VIII	Earning per equity share:					
	Basic & Diluted	19		**(0.01)**		(0.46)

The notes numbers 1 to 19 attached form an integral part of Financial Statements

As per our report of even date
for **VENKAT & RANGAA**
Chartered Accountants
FRN 004597S

Chennai
26.05.2014

K.R.ADIVARAHAN
Partner
M. No. 25420

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M.RAO
Chairperson

R.GANESAN
Director

1. MAJOR ACCOUNTING POLICIES:

i. General:

The Financial Statements have been prepared on the basis of going concern, under the historic cost convention, to comply in all the material aspects with applicable accounting principles in India, the According Standards notified under section 211 (3C)(which continues to be applicable in terms of general circular 15 /2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and the relevant provisions of the said Act.

ii. Fixed Assets:

Fixed Assets are stated at cost less depreciation. Cost of acquisition of fixed assets is inclusive of all freight, duties, taxes, incidental expenses relating to the cost of acquisition and the cost of installation/erection as applicable.

iii. Depreciation:

Depreciation is written off under the Straight line method in accordance with the rates and rules prescribed under Schedule XIV to the Companies Act, 1956.

iv. Investments :

Long term Investments are stated at cost, less provision for other than temporary diminution in value current investment are stated at the lower of cost or market value

v. Inventories:

Standing crops at the year end is valued at cost.

Finished goods at the year end is valued at cost or market value whichever is lower.

As the company is engaged in agricultural and research activities quantitative particulars are not furnished.

2. Payment of gratuity Act, Provident Fund & ESI Acts are not applicable to the Company.
3. Previous years figures have be regrouped whenever necessary.
4. Contingent Liabilities not provided for : NIL
5. Foreign exchange Income & Outgo : NIL

2 . SHARE CAPITAL

Amt. In Rs.

Particulars	Number	As at end of current reporting period 31-03-2014	Number	As at end of previous reporting period 31-03-2013
Authorised :				
Equity shares of Rs.10 /- each	**5000000**	**50000000**	5000000	50000000
		50000000		50000000
Issued, subscribed and fully paid up:				
Equity shares of Rs.10 /- each				
At the beginning of the reporting period	**2250000**	**22500000**	**2250000**	22500000
Issued during the reporting period	**-**		**-**	
Bought back during the reporting period	**-**		**-**	
At the close of the reporting period	**-**	**22500000**	**-**	22500000
Particulars of Equity share holders holding more than 5% of the total number of equity share capital				
K.C.P Sugar and Industries Corporation Ltd	**2250000**	**22500000**	**2250000**	22500000

3. Reserves and Surplus:

Particulars	Amt. In Rupees		
	General reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period		1150838	1150838
Transferred from/to Profit & Loss Account		(13024)	(13024)
At the close of the reporting period	-	1137814	1137814
At the close of the previous reporting period		1150838	1150838

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
4. Deferred tax liability:		
On account of depreciation on fixed assets	200377	182221
5. Other Current liabilities:		
Outstanding liabilities for expenses	30455	30455

6. Fixed Assets **Amt. In Rs.**

Description	Gross Block (At Cost)				Depreciation				Net Block	
	Cost upto 31.03.2013	Additions during the year	Deletions during the year	Cost upto 31.03.2014	upto 31.03.2013	For the year	On Deletions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Land (Incl Devt)	3686503	-	-	**3686503**	-	-	-	**-**	**3686503**	3686503
Fencing	306424	-	-	**306424**	134901	10234	-	**145135**	**161289**	171524
Building	925160	-	-	**925160**	52586	4225	-	**56811**	**868349**	872574
Plant & Machinery	1761379	470835	-	**2232214**	287988	44923	-	**332911**	**1899303**	1473392
Vehicles	29510	-	-	**29510**	11788	2804	-	**14592**	**14918**	17721
Total	**6708976**	**470835**	**-**	**7179811**	**487263**	**62186**	**-**	**549449**	**6630362**	**6221714**

7. Non Current Investments

	Company	Opening Balance as on 01-04-2013		Purchased during the year		Sold during the year		Closing Balance as on 31-03-2014	
		No of Shares	Book Value in Rs.	No of Shares	Book Value in Rs.	No of Shares	Book Value in Rs.	No of Shares	Book Value in Rs.
	Long Term Investments - at cost								
	Others (Quoted)								
	Investment in Equity Shares								
1	Asian Paints Ltd (Face value of Re.1/- each)	200	232837					200	232837
2	Blue Star Ltd. (Face value of Rs.2/- each)	5800	2364753					5800	2364753
3	Container Corporation of India Ltd. (Includes 350 bonus shares received during the year)	700	822051	350				1050	822051
4	Geodesic Information Systems Ltd (Face value of Rs.2/- each)	400	80458					400	80458
5	Gujarat Gas (Face value of Rs.2/- each)	3100	838740					3100	838740
6	Indraprastha Gas Ltd.	8000	3471281					8000	3471281
7	ISMT Ltd.	3800	300380					3800	300380
8	Marico Limited (Face value of Re.1/- each)	3500	222814					3500	222814
9	Marico Kaya Enterprises Ltd (2 fully paid up shares for every100 shares in Marico Ltd by demerger)	-	-	70				70	-
10	Nucleus Soft	200	38058					200	38058
11	Subex Azure Ltd.	50	26322					50	26322
12	Yuken India Ltd.	100	20137					100	20137
13	Monsanto India Ltd	200	167819					200	167819
14	Savita Oil Technologies Ltd	8165	4489223					8165	4489223
15	Precision Wire India Ltd	500	69957					500	69957
	TOTAL		**13144830**		**-**		**-**		**13144830**

NOTE:

1. The Face Value of the above shares is Rs. 10/- each, unless otherwise mentioned.
2. Aggregate Quoted Investments: At Cost 13144830 13144830

   At Market Value 10482595 10607481

Amt. In Rs.

Particulars	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
8. Current Investments:		
Investments in Mutual Funds : Valued at Cost or NAV whichever is lower		
SBI Magnum Insta Cash Fund - Daily Dividend option. (No of units : 2165.429) Unquoted (PY: 2386.767)	**3627159**	3997906
9. Inventories:		
Standing crops	**14920**	-
10 Trade Receivables :		
Trade receivables	**-**	31125
11. Cash and cash equivalents:		
i) Balances with banks		
- in Current accounts	**41580**	34744
ii) Cash on hand	**19850**	19825
iii) Fixed deposit	**2499**	2499
	63929	57068
12. Short term loans and advances:		
Income tax paid in advace	**387446**	410872
	For the current reporting period 2013-2014	For the previous reporting period 2012-2013
13. Revenue from operations:		
Sale of agricultural products	**470104**	338350
14. Other Income:		
i) Interest income - long term investments	**236**	228
ii) Dividend Income		
- from long term investments	**283863**	259675
- from current investments	**279252**	391921
iii) Miscellaneous Receipts	**7382**	9900
	570733	661724
15. Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
Standing Crops	**14920**	-
Less:		
Stocks at the beginning of the year		
Standing Crops	**-**	462465
NETT	**14920**	(462465)

Amt. In Rs.

	For the current reporting period 2013-2014	For the previous reporting period 2012-2013
16. Employee Benefit Expenses:		
i) Salaries and wages	**365650**	491700
ii) Staff welfare expenses	**9562**	32678
	375212	524378
17. Finance Costs:		
Other borrowing costs	**1752**	1355
18. Other expenses:		
i) Repairs others	**47045**	97613
ii) Rates and taxes	**572**	1094
iii) Payment to the auditors	**13483**	14045
iv) Legal and professional charges	**36938**	36938
v) Cultivation expenses	**182920**	404248
vi) Labour charges	**100825**	211194
vii) Pesticides / Fertilizers	**65988**	46354
viii) Loss on Sale of Assets	**-**	25526
ix) Tractor Maintanence	**143184**	51879
x) Miscellaneous expenses	**20520**	44529
	611475	933420
19. Earnings per share		
Profit attributable to share holders	**(13024)**	(1038769)
Basic /Weighted average number of Equity Shares outstanding during the year	**2250000**	2250000
Nominal value of Equity Shares	**10.00**	10.00
Basic / Diluted Earnings per share	**(0.01)**	(0.46)

Particulars	Amt. in Rs.			
	Current reporting period 2013-2014		Previous reporting period 2012-2013	
Cash flows from operating activities				
Profit before taxation		**5132**		(989986)
Adjustments for:				
Depreciation and amortization expense	**62186**		68442	
Loss/ Profit on Sale of Assets	**-**		25526	
Interest received	**(236)**		(228)	
Dividends received	**(563115)**		(651596)	
		(501165)		(557856)
		(496033)		(1547842)
Increase / decrease in trade and other receivables	**31125**		(31125)	
Increase / decrease in inventories	**(14920)**		464430	
		16205		433305
		(479828)		(1114537)
Income taxes paid		**(23426)**		(253314)
Net cash from operating activities		**(456402)**		(861223)
Cash flows from investing activities				
Purchase of fixed assets	**(470835)**		(1681425)	
Sale of Fixed Assets	**-**		37000	
Sale of investments	**370747**		1818079	
Interest received	**236**	**-**	228	-
Dividend received	**563115**	**-**	651596	-
Net cash from investing activities		**463263**		825478
Net increase/(decrease) in cash and cash equivalents		**6861**		(35745)
Cash and cash equivalents at beginning of reporting period		**57068**		92813
Cash and cash equivalents at end of reporting period		**63929**		57068

As per our report of even date

for **VENKAT & RANGAA**
Chartered Accountants
FRN 004597S

Place : Chennai
Date : 26.05.2014

K.R.ADIVARAHAN
Partner
M.No. 25420

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M.RAO
Chairperson

R.GANESAN
Director

Notes :

Consolidated Financial Statements

of

K.C.P. Sugar and Industries Corporation Limited

and

its Subsidiaries

2013 - 2014

CIN: L15421TN1995PLC033198

BALANCE SHEET AS AT 31ST MARCH, 2014

Amt. in Rs.

Particulars	Note No.	As at end of current reporting period 31-03-2014		As at end of previous reporting period 31-03-2013	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	**113385050**		113385050	
(b) Reserves and Surplus	3	**2395390522**		2177095954	
			2508775572		2290481004
(2) Non - current liabilities					
(a) Long term borrowings	4	**479876000**		181119000	
(b) Deferred tax liabilities (Net)	5	**169854552**		201203926	
(c) Other long term liabilities	6	**6562944**		5734660	
(d) Long term provisions	7	**79087121**		56987050	
			735380617		445044636
(3) Current Liabilities					
(a) Short term borrowings	8	**392278404**		319391297	
(b) Trade payables	9	**1026920689**		904808504	
(c) Other current liabilities	10	**285627467**		318795448	
(d) Short term provisions	11	**165834650**		186725950	
			1870661210		1729721199
TOTAL			**5114817399**		4465246839
II. ASSETS					
(1) Non - current assets					
(a) Fixed Assets					
(i) Tangible assets	12	**1080441197**		1179133110	
(ii) Capital work in progress	13	**67394155**		6680097	
(iii) Intangible under development		**13096713**		12633462	
		1160932065		1198446669	
(b) Non - current investments	14	**328228272**		322831300	
(c) Long term loans and advances	15	**8784241**		8969515	
(d) Other non current assets	16	**38936871**		17664965	
			1536881449		1547912449
(2) Current Assets					
(a) Current Investments	17	**66768657**		4648134	
(b) Inventories	18	**2866843291**		2272865425	
(c) Trade receivables	19	**305389872**		337960775	
(d) Cash and Cash equivalents	20	**118639642**		77449979	
(e) Short term loans and advances	21	**220294488**		224410077	
			3577935950		2917334390
TOTAL			**5114817399**		4465246839

The note numbers 1 to 32 attached form an integral part of Financial Statements

As per our report of even date
For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

K.V.N.S. KISHORE
Partner
M.No. 206734
Chennai
26.05.2014

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M. RAO
Managing Director

V. KIRAN RAO
Executive Director

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) & Company Secretary

K.A.RANGASWAMY
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Amt. in Rs.

	Particulars	Note No.	Current reporting period 31-03-2014		Previous reporting period 31-03-2013	
I.	Revenue from Operations			**4942370509**		5422797622
	Less: Inter Divisional Transfers			**930390358**		761583974
				4011980151		4661213648
	Less: Excise duty			**157148623**		152798839
				3854831528		4508414809
II	Other Income	22		**80569615**		70819486
III	**Total revenue (I + II)**			**3935401143**		4579234295
IV	Expenses					
	Cost of materials consumed	23	**3279384038**		3013864665	
	Less: Inter Divisional Transfers		**163232023**		86822757	
			3116152015		2927041908	
	Changes in inventories of finished goods, work in progress and stock in trade	24	**(607017210)**		92474784	
				2509134805		3019516692
	Employee benefits expense	25	**459103042**		429434125	
	Finance costs	26	**52217192**		62803547	
	Depreciation and Amortisation	12	**115511952**		113647477	
	Other expenses	27	**385082160**	**1011914346**	365234319	971119468
	Total Expenses			**3521049151**		3990636160
V	Profit before tax (III-IV)			**414351992**		588598135
VI	Tax expense:					
	(1) Current tax		**114500000**		176500000	
	(2) Deferred tax		**(31349374)**		2943080	
	(3) Provision for taxation relating to earlier years		**150183**		257192	
				83300809		179700272
VII	Profit for the year			**331051183**		408897863
VIII	Earning per equity share:					
	Basic & Diluted			**2.92**		3.61

The note numbers 1 to 32 attached form an integral part of Financial Statements

As per our report of even date
For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M. RAO
Managing Director

K.V.N.S. KISHORE
Partner
M.No. 206734

V. KIRAN RAO
Executive Director

Chennai
26.05.2014

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

K.A.RANGASWAMY
Director

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. SYSTEM OF ACCOUNTING:

Financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting practices.

BASIS OF CONSOLIDATION:

- The consolidated financial statements relate to K.C.P. Sugar and Industries Corporation Ltd., hereinafter referred to as ' the company ', and its wholly-owned subsidiary companies, viz., The Eimco-K.C.P.Ltd., and KCP Sugars Agricultural Research Farms Ltd. The consolidated financial statements have been prepared on the following basis, in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India:
- The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the Book Values of like items of Assets, Liabilities, Income and Expenses.
- The intra group balances and intra group transactions resulting in unrealized profits or losses have been fully eliminated from the related Assets, Liabilities, Income and Expenses.
- The investments in the Equity Shares of the Subsidiary Companies have been fully eliminated from the Share Capital of Subsidiary Companies and investments in parent Company.

b. FIXED ASSETS

i. Fixed assets are stated at the values at which they are acquired, less accumulated depreciation. The value at which fixed assets are acquired includes all related expenses upto the date of putting them to use.

ii. Intangibles will be amortised over a period of five years.

iii. Cenvat Credit availed on acquisition of Fixed Assets is reduced from the cost of the concerned assets.

c. DEPRECIATION

Depreciation is provided under straight line method except in respect of assets appearing in the books of the Registered Office of the Company, and The Eimco-K.C.P. Ltd., which are depreciated under written down value method, in accordance with the rates and rules prescribed under Schedule XIV to the Companies Act, 1956. Assets costing less than Rs.5000/- depreciated within the year of acquisition.

d. INVESTMENTS

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments are stated at the lower of cost or market value.

e. INVENTORIES

i. Finished goods are valued as follows and increased by Excise Duty thereon as applicable.

- All finished goods are valued at lower of cost or market value.
- Molasses, a byproduct is valued at estimated net realisable value.

ii. Stock of Scrap is not valued and therefore not recognised in the accounts. Sale of Scrap, as and when made, is accounted for. In the case of The Eimco-K.C.P.Ltd., the same is valued at net realizable value and recognized in the accounts.

iii. Crops under cultivation are valued at cost.

iv. Work in progress is valued at lower of cost or net realisable value of the finished goods duly adjusted according to the percentage of progress.

v. Raw materials, stores, spares, materials in transit are valued at cost, except when the net realisable value of the finished goods they are used in, is less than the cost of the finished goods and if in such an event the replacement cost of such materials etc. is less than their holding cost, they are valued at replacement cost.

f. SALES AND OTHER EARNINGS

i) Sales are inclusive of excise duty, freight, insurance etc. recovered thereon and net of sales tax.

ii) Power generated in Power Plant Units and supplied to the other units of the Company is accounted for at which the Company purchases power from APSEB.

g. WARRANTY AND GUARANTEE CLAIMS

Company's liability for performance warranties is recognized in the accounts in the year of claim by the customers. Liability in respect of delivery guarantees is recognized in accounts in the year in which delay occurs as per the Contract.

h. FOREIGN EXCHANGE TRANSACTIONS

i. Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year.

ii. At each Balance Sheet date

- foreign currency monetary items are reported using the rate of exchange on that date
- foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized

iii. In respect of forward exchange contracts in the nature of hedges

- Premium or discount on the contract is amortised over the term of the contract,
- Exchange differences on the contract are recognized as profit or loss in the period in which they arise

i. EXPENDITURE ON RESEARCH AND DEVELOPMENT

In respect of approved Research and Development programmes, expenditure of capital nature is included in the Fixed Assets and the other expenditure is charged off to revenue, in the year in which such expenditure is incurred.

j. EMPLOYEE BENEFITS

(i) Long-term Employee Benefits

(a) Defined Contributions Plans

The Company has Defined Contribution Plans for post employment benefits for employees in the form of Superannuation Fund which is recognised by the Income Tax authorities and administered through Trustees and Life Insurance Corporation of India (LIC) and Provident Fund for all employees. These plans constitute insured benefits, as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the Profit and Loss Account as incurred

(b) Defined Benefit Plans

(i) **Gratuity** - The Company has Defined Benefit Plan for post employment benefit for all employees in the form of Gratuity. For certain employees the post employment benefits in the form of Gratuity is funded with Life Insurance Corporation of India, which is recognised by the Income Tax authorities and administered through Trustees. Liability for Defined Benefit Plan is provided on the basis of valuation carried out by LIC of India with regard to the employees for whom the same is funded with LIC. In the case of other employees, the same is provided on the basis of the valuation carried out by an independent actuary as at the Balance Sheet date. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method

(ii) Leave Encashment – Entitlement to annual leave and sick leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves at each Balance Sheet date and the same is charged to revenue accordingly.

k. TAXATION:

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainly supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

l. IMPAIRMENT OF ASSETS

At the date of each Balance Sheet, the company evaluates internally, indications of the impairment if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recognized.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

m. PROVISIONS,CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of recourses. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2 . SHARE CAPITAL

Particulars	Number	As at end of current reporting period 31-03-2014	Number	As at end of previous reporting period 31-03-2013
Authorised :				
Equity shares of Re.1 /- each	**250000000**	**250000000**	250000000	250000000
		250000000		250000000
Issued, subscribed and fully paid up:				
Equity shares of Re.1 /- each	**113385050**	**113385050**	113385050	113385050
	-	**113385050**	-	113385050
Reconciliation of No. of. Shares				
At the beginning of the reporting period	**113385050**	**113385050**	113385050	113385050
Changes during the year	**-**	**-**	-	-
At the closing of the reporting period	**113385050**	**113385050**	113385050	113385050

3. Reserves and Surplus:

Particulars	Amt. In Rupees				
	Capital redemption reserve	**Investment allowance reserve utilised**	**General reserves**	**Surplus i.e. balance in Statement of Profit & Loss**	**Total**
At the beginning of the reporting period	15545110	4505000	1142004188	1015041656	**2177095954**
Transferred from/to Profit & Loss Account			30000000	331051183	**361051183**
Transfer to General Reserve				30000000	**30000000**
Proposed Dividends				96377293	**96377293**
Provision towards dividend distribution tax				16379321	**16379321**
At the close of the reporting period	**15545110**	**4505000**	**1172004188**	**1203336224**	**2395390522**
At the close of the previous reporting period	15545110	4505000	1142004188	1015041656	**2177095954**

4. Long term Borrowings:

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2014	**As at end of previous reporting period 31-03-2013**
Secured Loans:		
Term Loan from Bank	**215100000**	-
Unsecured Loans:		
Fixed Deposits	**264776000**	181119000
	479876000	181119000

5. Deferred tax liabilities (Net):

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
i) Deferred tax liability		
On account of depreciation on fixed assets	**201088438**	219669291
ii) Deferred tax asset		
On account of timing differences in recognition of expenditure	**31233886**	18465365
Net Deferred tax liability	**169854552**	201203926
6. Other Long term liabilities:		
Interest accrued but not due on fixed deposits	**6562944**	5734660
7. Long term Provisions:		
Provision for employee benefits	**43929298**	38463894
Provision for liquidated damages	**35157823**	18523156
	79087121	56987050
8. Short term Borrowings:		
Secured Loans		
Loans repayable on demand		
From banks	**301146404**	120036297
Unsecured Loans:		
Fixed Deposits maturing within one year.	**91132000**	199355000
	392278404	319391297
9. Trade Payables:		
i) To Micro, Small and Medium Enterprises	**-**	-
ii) Trade payables to Suppliers and service providers	**1026920689**	904808504
	1026920689	904808504

Note:

The company has not received any intimation from suppliers regarding their status under the Micro,Small and Medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the Act have not been given.

10. Other current liabilities:

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
a) Interest accrued but not due on borrowings	**25659417**	29061176
b) Advances received from customers	**48999443**	91307128
c) Unpaid dividends	**12295554**	11162939
d) Unclaimed matured deposits and interest accrued thereon	**7696340**	6107887
e) Statutory Liabilities	**105785747**	94205451
f) Outstanding Liabilities for Expenses	**80016709**	84836224
g) Earnest Money and Other Deposits	**5174257**	2114643
	285627467	318795448
11. Short term provisions:		
a) Provision for employee benefits	**26069531**	8419672
b) Provision for Dividend	**96377293**	113385050
c) Provision for tax on distributed profits	**16379321**	19269789
d) Provision for Income Tax (Net)	**27008505**	45651439
	165834650	186725950

12. Fixed Assets

Amt. In Rs.

	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
Description	Cost upto 31.03.2013	Additions during the year	Deletions during the year	**Cost upto 31.03.2014**	upto to 31.03.2013	For the year	On Deductions	**upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
Lands	89547873			**89547873**					**89547873**	89547873
Buildings										
Own Buildings	321401529	1198739		**322600268**	72758205	8220072		**80978277**	**241621991**	248643323
Leasehold Buildings	112189			**112189**	112189			**112189**		
Plant & Machinery	1803264474	9369369	5590949	**1807042894**	1030700998	93433895	5185992	**1118948901**	**688093993**	772563475
Tramways & Railways Sidings	23097214			**23097214**	12486548	1166502		**13653050**	**9444164**	10610666
Furniture and Fixtures	11911574	333378	2918	**12242034**	7790885	467142	2468	**8255559**	**3986475**	4120689
Computers and Office Equipments	87266181	3474383	3236035	**87504529**	67584536	5151369	3219533	**69516372**	**17988157**	19681645
Knowhow and Designs	235000			**235000**	235000			**235000**		
Vehicles	74390654	2866274	8500	**77248428**	40425215	7072972	8303	**47489884**	**29758544**	33965439
TOTAL	2411226688	17242143	8838402	**2419630429**	1232093576	115511952	8416296	**1339189232**	**1080441197**	1179133110
Previous year	2383318868	74444245	46536425	**2411226688**	1154629655	113647477	36183554	**1232093578**	**1179133110**	1228689213
K.C.P. Sugar and Industries Corporation ltd.	2339754551	10721111	8838402	**2341637260**	1187673799	110940205	8416296	**1290197708**	**1051439552**	1152080752
The EIMCO-K.C.P Ltd.	64763161	6050197		**70813358**	43932515	4509561		**48442076**	**22371282**	20830646
KCP Sugars Agricultural Research Farms Ltd.	6708976	470835		**7179811**	487262	62186		**549448**	**6630363**	6221712
Total	2411226688	17242143	8838402	**2419630429**	1232093576	115511952	8416296	**1339189232**	**1080441197**	1179133110

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
13. Capital work in progress:		
a) Plant and Machinery	**48201395**	-
b) Building under Construction	**19192760**	6680097
	67394155	6680097
14. Non Current Investments:		
Investments in Equity Instruments		
Quoted - Fully paid up	**326028272**	322331300
Unquoted - Fully paid up	**2200000**	500000
	328228272	322831300
Note : Aggregate value of quoted investments at cost	**326028272**	322331300
Aggregate of quoted investments at Market Value	**208496100**	212337296
15. Long term loans and advances:		
Unsecured, considered good		
Security Deposits	**8784241**	8969515
16. Other Non current assets:		
Interest receivable	**1380155**	1380155
Margin money fixed deposits with bank	**37556716**	16284810
	38936871	17664965
17. Current investments:		
Investments in mutual funds (Cost or NAV whichever is lower)	**66768657**	4648134
18. Inventories:		
i) Raw materials	**23534973**	29472202
ii) Work in progress	**75323589**	86009882
iii) Finished goods	**2708581110**	2090877607
iv) Stores and spares	**58844889**	66321526
vi) Loose tools	**558730**	184208
	2866843291	2272865425

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
19. Trade receivables:		
i) Trade receivables exceeding six months - Unsecured		
a) Considered good	**16184346**	5927052
b) Doubtful	**3590987**	6226863
ii) Others - Unsecured considered good	**289205526**	332033723
	308980859	344187638
Less: Provision for doubtful debts	**3590987**	6226863
	305389872	337960775
20. Cash and Bank balances:		
Cash and cash equivalents:		
i) Balances with Banks		
- in Current accounts	**67611717**	**49266082**
ii) cash on hand	**1664638**	**1313962**
Other balances with Bank		
I) - in unpaid dividend accounts	**17829893**	**11162939**
ii) - in margin money, security for borrowings, guarantees and other commitments	**31533394**	**15706996**
	118639642	**77449979**
21. Short term loans and advances:		
Unsecured considered good		
I) Advances to suppliers and service providers	**206127421**	**198477925**
ii) Advances to employees	**1736118**	**2595123**
iii) Advance taxes, duties etc (Net)	**12430949**	**23337029**
	220294488	**224410077**

Particulars	Amt. In Rupees	
	For the current reporting period 2013-2014	For the previous reporting period 2012-2013
22. Other Income:		
i) Interest income	**6752379**	6773120
ii) Dividend Income		
- from long term investments	**6362764**	6910197
- from current investments	**33515805**	22498072
iii) Rent Received	**5668976**	5491635
iv) Miscellaneous Receipts	**16271319**	12620462
v) Profit on sale of fixed assets (Net)	**1238277**	-
vi) Unclaimed Balance credited back	**1661521**	109136
vii) Claims Received	**2369161**	1448578
viii) Provision no longer required withdrawn	**4202277**	13704037
ix) Packing and forwarding charges	**950614**	805140
x) Foreign exchange variation	**1576522**	459109
	80569615	70819486
23. Cost of materials consumed:		
i) Consumption of raw materials	**3016441119**	2708046970
Less: Inter Divisional Transfers	**163232023**	86822757
	2853209096	2621224213
ii) Consumption of stores and spare parts	**262942919**	305817695
	3116152015	2927041908
24. Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
i) Work in progress	**75323589**	86009882
ii) Finished goods	**2708581110**	2090877607
	2783904699	2176887489
Less:		
Stocks at the beginning of the year		
i) Work in progress	**86009882**	66063665
ii) Finished goods	**2090877607**	2203298608
	2176887489	2269362273
Changes in inventories	**607017210**	(92474784)

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2014	As at end of previous reporting period 31-03-2013
25. Employee Benefit Expenses:		
i) Salaries and wages	**344761282**	290322845
ii) Contribution to provident and other funds	**53086025**	61479294
iii) Remuneration to whole time directors	**33018829**	52925392
iv) Staff welfare expenses	**28236906**	24706594
	459103042	429434125
26. Finance Costs:		
i) Interest expense	**40098523**	53967118
ii) Other borrowing costs	**12118669**	8836429
	52217192	62803547
27. Other expenses:		
i) Power and fuel	**789502608**	698385329
Less: Inter Divisional Transfers	**767158335**	674761217
	22344273	23624112
ii) Rent	**180219**	181782
iii) Repairs to buildings	**17572092**	8842329
iv) Repairs to machinery	**119043233**	156712165
v) Repairs others	**9353630**	7082043
vi) Insurance	**3610743**	2755828
vii) Payment to the auditors	**726760**	659401
viii) Selling expenses	**41256809**	34686059
ix) Irrecoverable loans and advances written off	**364324**	-
x) Assets Written Off	**-**	6072415
xi) Donations	**200000**	2000000
xii) Legal and professional charges	**8191856**	5927645
xiii) Directors sitting fees	**1140000**	880000
xiv) Remuneration to non whole time directors - Commission	**836164**	700000
xv) Testing Charges	**221148**	85553
xvi) Loss on sale of Assets	**-**	147565
xvii) Loss on sale of Investments	**-**	12242722
xviii) Machine Fabrication charge	**36815742**	28867509
xix) Performance and delivery guarantee claim	**28568759**	10066814
xx) Miscellaneous expenses	**94656408**	63700377
	385082160	365234319

28. Contingent liabilities and Capital Commitments not provided for:

Contingent Liabilities: **Amt. in Rs.**

Particulars	31.03.2014	31.03.2013
i) Claims against the company not acknowledged as debts:		
Share Transmission	**1105851**	1105851
ESI Cases	**132925**	132925
Case on Captive Power Generation	**26169375**	26169375
Bank Guarantees	**140508866**	125400564
Disputed Income Tax	**2593489**	2593489
Total	**170510506**	**155402204**

29. Employee Benefits

Disclosure under Accounting standard 15 (AS 15): Defined benefit plans

	Gratuity	2013-14	2012-13
(I)	**Change in Benefit Obligatgion**		
	Liability at the beginning of the year	114529143	106079591
	Interest Cost	9141521	8444018
	Current Service Cost	5818421	5231526
	Benefit Paid	6203841	6133185
	Acturial (gain)/loss on obligations	12415110	1893824
	Liability at the end of the year	**135700354**	**107071756**
(II)	**Fair value of Plan Assets**		
	Fair value of plan assets at the beginning of the year	103056802	93472422
	Expected Return on Plan Assets	8917735	8501930
	Contributions	7077506	7122761
	Benefit Paid	6203841	6133185
	Fair Value of plan assets at the end of the year	**112848202**	**102963928**
IIII)	**Actual Return on Plan Assets**		
	Expected Return on Plan Assets	8917735	8501930
	Actuarial gain/(loss) on plan Assets	-	-
	Actual Return on Plan Assets	**8917735**	**8501930**
(IV)	**Amount Recognised in the Blance Sheet**		
	Liability at the end of the year	134419784	114529144
	Fair value of Plan Assets at the end of the year	111567632	103056802
	Difference (Unfunded)	22852152	11472342
	Amount Recognised in the Balance Sheet	**22852152**	**11472342**
(V)	**Expenses Recognised in the Income Statement**		
	Current Service Cost	5818421	5231526
	Interest Cost	9141521	8444018
	Expected Return on Plan Assets	8917735	8501930
	Net Acturial (Gain)/ loss to be recogised	12415110	1893824
	Expenses Recognised in P & L	**18457317**	**7067438**
(VI)	**Actuarial Assumptions : For the Year**		
	Discount Rate Curent (in %)	8.00%	8.00%
	Salary Escalation Current (in %)	5% & 6%	7% & 5%
	Expected rate of return on plan assets	9.30%	9.30%
	L I C Mortality rate 1994- 1996 ultimate		

Provident fund:

The Company manages Provident fund plan through a Provident Fund Trust for certain employees, which is permitted under The Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer & employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The Guidance Note on implementing AS-15, Employee Benefits(revised 2005) issued by the Accounting Standard Board (ASB) states that provident fund set up by employers, which require interest shortfall to be met by the employer, need to be treated as defined benefit plan. Pending the issuance of the Guidance Note from the Acturial Society of India, the Company's actuary has expressed inability to reliably measure the Provident fund liability. However, there is no deficit in the fund in this regard.

30. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earnings per share

		2013-2014 Rs.	2012-2013 Rs.
Profit attributable to the Shareholders	A	33,10,51,183	40,88,97,863
Basic / Weighted average number of Equity Shares outstanding during the year	B	11,33,85,050	11,33,85,050
Nominal value of Equity Shares		1.00	1.00
Basic / Diluted Earnings per share	A/B	2.92	3.61

31. RELATED PARTY DISCLOSURES:
(As Required under paragraphs 23 and 26 of Accounting Standard 18)

(A). Names of related parties and description of relationship:

1. Key Management Personnel
a) Shri. Vinod R. Sethi, Executive Chairman
b) Smt. Irmgard Velagapudi M Rao, Managing Director.
c) Smt.V. Kiran Rao, Executive Director.

(B). Transactions During the year

Particulars	Subsidiaries	
	2013-14	2012-13
Rent received	**1200000**	1200000
Remuneration paid	**33018829**	52925392
Interest on fixed deposits	**3000000**	3029452
Share capital held	**1871310**	1733310
Fixed deposits held	**30000000**	30000000

32. SEGMENT REPORTING :

(I) The Company has identified the reportable segments as on 31-03-2014 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

Amt. in Rs.

Particulars	Primary Segment					
	Sugar	Chemicals	Power & Fuel	Engineering	Others	Total
Segment Revenue						
External Revenue	3083097714	286264441	71506260	508943511	62168225	4011980151
Inter Segment Revenue	502840610	2748427	424801321	-	-	930390358
Total Revenues	3585938324	289012868	496307581	508943511	62168225	4942370509
Segment Results						
Profit before depriciation, finance cost and taxation	326094948	62705822	128941391	93016002	26239492	636997655
Less : Finance Cost	41316110	3074936	479672	6668132	678342	52217192
Less: Depreciation and Amortizations	59516382	13622216	34327447	4509561	3536346	115511952
Less: Impairment on Capital Assets						-
Unallocable Expenditure						54916519
Less : Tax						83300809
Total Profit						331051183
Capital Exployed						
Segment Assets	3682241271	268968741	277164409	307253872	68220701	4603848994
Unallocable Assets						522990667
Segment Liabilities	1678305370	7707510	2792577	161797579	2592565	1853195601
Unallocable Liabilities						764868488
Capital Employed						2508775572
Capital Expenditure	20137621	47997507	3025074	6100948	1158302	78419452

Note:

1. The operations of the parent company and its subsidiaries predominantly relate to manufacture of Sugar,Electrical Energy, Engineering Equipments, Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO2 and Calcium Lactate
2. The Business segments that are disclosed under "Others" comprise Bio Fertilizers and Agricultural Produce.
3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

ii. GEOGRAPHICAL SEGMENT :

Particulars	
Sales within India	3997494109
Sales outside India	14486042
Total	**4011980151**

Note: Company does not own or operate any business outside India.

CARRYING AMOUNTS OF GEOGRAPHICAL ASSETS & ADDITIONS TO TANGIBLE & INTANGIBLE FIXED ASSETS :

Particulars	Carrying amounts of segment assets	Additions to fixed assets & Intangible assets
Located in India	5114817399	78419452
Located outside India	-	-
	5114817399	78419452

Cash Flow Statement Annexed to Financial Statements

AMT IN RS.

		2013-14		2012-13
A. Cash Flow from Operating Activities:				
Net Profit before tax and Extraordinary Items		**414351992**		588598135
Adjustments for:				
Depreciation	**115511952**		113647477	
Loss/(Profit) on Sale of Assets	**(1238277)**		173091	
Assets written off	**-**		6072415	
Provision no longer required withdrawn	**(5863798)**		(13743422)	
Bad debts and Debit balances written off	**364324**		-	
Dividend Income	**(39878569)**		(29408270)	
Loss/(Profit) on Sale of Investments	**-**		12242722	
Finance cost	**52217192**		62803547	
Interest received	**(6752379)**		(6773120)	
Credit balances written back	**-**		(13448291)	
		114360445		131566149
Operating Profit before Working Capital Changes		**528712437**		720164284
Adjustments for :				
Trade and other Receivables	**(19420327)**		137198219	
Inventories	**593977866**		(75616090)	
Trade Payables	**(131806014)**		244914721	
		442751525		306496850
Cash Generated from Operation		**85960912**		413667434
Direct Taxes Paid		**133897710**		134238059
Cash Flow Before Extraordinary Items		**(47936798)**		279429375
Net Cash from Operating Activities		**(47936798)**		279429375
B. Cash Flow from Investing Activities:				
Purchase of Fixed Assets	**17292894**		71505795	
Investments purchased	**67888241**		107085942	
Increase/(Decrease) in Capital Work in Progress	**61126558**		(471129)	
Sale of Investments	**(370747)**		(114905221)	
Sale of Fixed Assets	**(1660383)**		(1168914)	
Interest Received	**(6752379)**		(6773120)	
Dividend Received	**(39878569)**		(29408270)	
Net Cash Used in Investing Activities		**97645615**		25865083
C. Cash Flow from Financing Activities				
Repayment of Borrowings	**(371644107)**		98825425	
Finance Cost	**52217192**		62803547	
Dividends and Tax on dividend Paid	**132654839**		92245258	
Net Cash Used in Financing Activities		**(186772076)**		253874230
Net Increase in Cash and Cash Equivalents (A-B-C)		**41189663**		(309938)
Cash and Cash Equivalents beginning of the year		**77449979**		77759916
Cash and Cash Equivalents at the end of the year		**118639642**		77449979

As per our report of even date
For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

K.V.N.S. KISHORE
Partner
M.No. 206734
Chennai
26.05.2014

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

For and behalf of the Board of Directors
IRMGARD VELAGAPUDI M. RAO
Managing Director

V. KIRAN RAO
Executive Director

K.A.RANGASWAMY
Director

To
The Board of Directors of
K.C.P. Sugar and Industries Corporation Ltd

We have audited the accompanying consolidated financial statements of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India.. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

b) in the case of the consolidated statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 238.69 Lakhs as at March 31, 2014, total revenues of Rs 10.41 Lakhs, and net cash inflows amounting to Rs 0.07 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For B. Purushottam & Co
Chartered Accountants
FRN 002808S

Place : Chennai.
Date : 26-05-2014

K.V.N.S Kishore
Partner
(M. No. 206734

Notes :

ELECTRONIC CLEARING SERVICE (E C S) MANDATE FORM

From **(Please fill name and address of first holder)** **Date :**

..... **FOLIO NO :**

.....

.....

.....

.....

Dear Sir,

Sub: Payment of Dividend thro' Electronic Clearing Service (ECS)

I hereby give my mandate to credit my dividend on the Shares held by me directly to my Bank account through the Electronic Clearing Service (ECS). As desired, I give below the particulars of my Bank account :

1.	**NAME OF BANK**	
2.	**BRANCH NAME AND ADDRESS**	
3.	**ACCOUNT NO** (as appearing on cheque book)	
4.	**ACCOUNT TYPE** (please tick)	☐ **10** - Savings ☐ **11** - Current Account ☐ **13** - Cash credit
5.	**LEDGER FOLIO NO OF THE BANK A/C** (if appearing on cheque book)	
6.	**9-DIGIT CODE NUMBER OF THE BANK & BRANCH APPEARAING ON THE MICR CHEQUE ISSUED BY THE BANK** (please attach a xerox copy of the cheque or bank cheque of your bank duty cancelled for ensuring the accuracy of the bank's name branch name and code number)	☐☐☐☐☐☐☐☐☐

I hereby declare that the particulars given above are correct and complete. If any transactions are delayed or not effected at all for reasons of incompleteness or correctness of information supplied as above, the Company will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by the Company, for payment of dividend to me.

I further undertake to inform the Company about any change in my Bank/Branch and account number.

DATE : .....

.....
(Signature of First holder)

*** * * * FOR OFFICE USE ONLY * * * ***	
ECS REF NO.	

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
No.239, Anna Salai,
Chennai -600 006.

(Detail's overleaf)

PAYMENT OF DIVIDEND THRO' ELECTRONIC CLEARING SERVICE (ECS)

The Securities and Exchange Board of India (SEBI) has made it mandatory for all listed company to offer ECS facilities. This facility has **several benefits including :**

1. **Instant credit** of the dividend amount directly to your designated bank account electronically.
2. **Prevents** in-transit interception of the warrant or its fraudulent encashment.
3. **Eliminates** the scop for loss/delay in receipt of the warrant.
4. **No extra** cost to the payee.

Instead of the earlier practice of issue of printed warrants being sent to the Shareholders, this mode of payment provides for direct credit dividend to the existing Bank account of the Shareholder(s) by electronic mode. The concerned Bank branch will credit your account and indicate the entry as " ECS" in your pass book/statement.

This mode of payment is optional and you have a right to withdraw the instructions or change them by giving us an advance notice of atleast eight weeks before the data of payment. The information furnished by you will be kept confidential and utilised only for the purpose of effecting the payment of dividend as may be applicable. The Company will not be liable for any credit/s made to any other account other than the Sharholders account because of the incorrect information given.

The facility of ECS is (RBI Centres) available in 15 cities as follows :

Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram,

Though the facility is available only to a limited number of cities, we request all the Shareholders to provide us the details in the enclosed form, which would enalble us to serve you better once the facility is extended to your city.

Wo would **request you to avail this facility by completing the relevant details in the ECS Mandate form printed on the reverse and return to us at the earliest alongwith a cancelled or photocopy or your cheque** pertaining to your account to which the dividend amount is to be credited.

In case you are holding shares in demat form, kindly advise your Depository participant directly to take note of your Bank account particulars/ECS mandate.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN:L15421TN1995PLC033198

"Ramakrishna Buildings", No.239, Anna Salai, Chennai 600006 – Tel: 91 44 28555171-176 / Fax: 914428546617

Investorservices@kcpsugar.com / www.kcpsugar.com

19th Annual General Meeting – September 11, 2014

Name of the Member(s)

Registered address

Email

Folio No. / Client ID

DP ID

I / We, being the member(s) of …….. shares of the above named company, hereby appoint

Name :……..... Email: .....……..

Address: ……...……

……... Signature:_____

or failing him / her

Name :……..... Email: .....……..

Address: ……...……

……... Signature:_____

or failing him / her

Name :……..... Email: .....……..

Address: ……...……

……... Signature:_____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 19th Annual General meeting of the Company, to be held on Thursday, 11th September 2014 at 11.00 AM at "Sadguru Gnanananda Hall", Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended 31st March 2014.			
2.	Approval of dividend for the financial year ended 31st March 2014.			
3.	Appointment of M/s. B.Purushottam & Co, Chartered Accountants, Chennai as the Auditors of the Company.			
SPECIAL BUSINESS				
4	Appointment of Shri.Ranvir R.Shah as an Independent Director upto 31st March 2019.			
5.	Appointment of Dr.Vithal Rajan as an Independent Director upto 31st March 2019.			
6.	Appointment of Shri.M.S.V.M.Rao as an Independent Director upto 31st March 2019.			
7.	Appointment of Shri.Prathap K.Moturi as an Independent Director upto 31st March 2019.			
8.	Remuneration of Cost Auditor			
9.	Acceptance / Renewal of Deposits from public / members			

Signed this……day of ……..2014.

…… / ……

Signature of member / Signature of the proxy holder

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. As per section 105 of the Companies Act, 2013, a person appointed as proxy can act on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

INSTRUCTIONS FOR E-VOTING

Registered folio No. / DP ID No. / Client ID No.	Number of shares held:

Dear Member,

Sub: Instructions for e-voting

\Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 19th Annual General Meeting to be held on Friday, 11th September 2014, at 11.00 a.m. IST. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The e-voting facility is available at the link https://www.evoting.nsdl.com

The electronic voting particulars are set out below:

EVEN (e-voting event number)	User ID	Password

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
September 05, 2014 at 9.00 a.m. IST	September 07, 2014 at 6.00 p.m. IST

Please read the instructions printed below before exercising your vote.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on 11th September 2014.

Steps for e-voting

1. Open the internet browser and type the following URL: **https://www.evoting.nsdl.com**
2. Click on Shareholder-Login
3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
4. If you are logging in for the first time, please enter the User ID and Password provided in this document.\
5. The **Password Change Menu** will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your Password confidential.
6. Once the e-voting home page opens, click on **e-voting>Active Voting Cycles**
7. Select the **EVEN (E-Voting Event Number)** of K.C.P.Sugar and Industries Corporation Limited (the number is provided in this document). Once you enter the number, the **Cast Vote** page will open. Now you are ready for e-voting.
8. Cast your vote by selecting your favoured option and click **Submit.** Also **click** Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
9. Institutional shareholders (i.e. members other than individuals, HUF, NRIs, etc) are required to send a scanned copy (PDF / JPG format) of the relevant board resolution / authority letter, etc, together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer via email at: maheshvenky@vmacs.co.in with a copy marked to evoting@nsdl.co.in.
10. In case of any queries, please refer to the **Frequently Asked Questions (FAQs)** for members and the **e-voting user manual** for members available in the 'Downloads' section of **https://www.evoting.nsdl.com**. You can also contact NSDL via email at **evoting@nsdl.co.in**.

General Instructions

a. The e-voting period commences on 5th September 2014 (9.00 a.m. IST) and ends on 7th September 2014 (6.00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

b. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

c. Mr.V.Mahesh, Practicing Company Secretary (Membership No.F-4162 / CP No.2473), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

d. The Scrutinzer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

e. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 8th August 2014.

f. The results will be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kcpsugar.com and on the website of NSDL within two days of the passing of the resolutions at the 19th Annual General meeting of the Company on 11th September 2014 and communicated to the National Stock Exchange of India Ltd, and BSE Limited.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days upto the date of declaration of the result of the 19th Annual General Meeting of the Company.

Registered Office
'Ramakrishna Buildings'
No.239, Anna Salai,

by order of the Board of Directors
for K.C.P.SUGAR AND INDUSTRIES
CORPORATION LIMITED
Chennai 600006.

Chennai
May 26, 2014

Vinod R. Sethi
Executive Chairman

Notes :

Designed and Printed at Chennai Micro Print Pvt Ltd. Ph: 23740099

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN:L15421TN1995PLC033198

"Ramakrishna Buildings", No.239, Anna Salai, Chennai 600006 – Tel: 91 44 28555171-176 / Fax: 914428546617

Investorservices@kcpsugar.com / www.kcpsugar.com

ATTENDANCE SLIP

19TH ANNUAL GENERAL MEETING – SEPTEMBER 11, 2014
Shares held:

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 19th Annual General Meeting of the Company at Sathguru Gnanananda Hall, Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, on Thursday, 11th September 2014, at 11.00 AM.

Member's Folio/ Dp ID-Client ID No.	Member's / Proxy's Name in Block Letters	Member's / Proxy's Signature

ELECTRONIC VOTING PARTICULARS

EVEN (e-voting event number)	User ID	Password

Note:

1. Please fill up this attendance slip and hand it over at the registration counter of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.